

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
August 30, 2017

A meeting of the Franklin Regional Retirement Board, duly posted to be held in the Board office, 278 Main Street, Suite 311, Greenfield, MA., on the above date was called to order at 8:07 a.m. by Board Chair, Sandra Hanks with Board Members Paula Light, Paul Mokrzecki, and Mary Stokarski present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, and Auditor Deb Frenzoz.

Prior to and during the meeting, the following items were available for the Board's review: monthly financial statements, current investment statements, invoices, and member and retiree files related to items on the agenda.

A permanent copy of the agenda as presented to the Board, with the exception of those items that are restricted from public viewing, is on file in the retirement office.

**Review and Acceptance of Meeting Minutes**

*On a motion made by M. Stokarski and second by P. Mokrzecki, the Board voted unanimously to approve the minutes of the regular meeting held on July 19, 2017.*

**Payroll, Refunds, Transfers and Bills Warrants – July revised**

*On a motion made by M. Stokarski and second by P. Light, the Board voted unanimously to approve the revised July warrants as follows:*

<i>Retirees Payroll</i>	<i>\$811,846.98</i>
<i>Added Chaplin +</i>	<i><u>410.76</u></i>
	<i>\$812,257.74</i>
<i>Refunds</i>	<i>37,151.02</i>
<i>Transfers</i>	<i>34,043.13</i>
<i>Invoices 07-17W</i>	<i><u>95,576.32</u></i>
<i>For a total of:</i>	<i>\$979,028.21</i>
	<i>(was 978,617.45)</i>

**Payroll, Refunds, Transfers and Bills Warrants - August**

*On a motion made by P. Mokrzecki and second by M. Stokarski, the Board voted unanimously to approve the warrants as follows:*

<i>Retirees Payroll</i>	<i>\$840,859.04</i>
<i>Refunds</i>	<i>17,545.25</i>
<i>Transfers</i>	<i>9,764.52</i>
<i>Invoices 08-17W</i>	<i><u>67,128.40</u></i>
<i>For a total of:</i>	<i>\$935,297.21</i>

### **Cash Transfer between Investments and Bank – August**

*On a motion made by M. Stokarski and a second by P. Light, the Board, voted unanimously to transfer \$150,000 from Polen Capital Management, \$250,000 from Seizert Capital Partners, \$200,000 from O’Shaughnessy Asset Management and \$50,000 from Systematic Financial Management to Unibank to cover this month’s warrants due to a shortfall in assessment money.*

### **Cash Transfer between Investments and Bank - September**

*On a motion made by P. Mokrzecki and a second by M. Stokarski, the Board, voted unanimously to transfer \$495,000 from Polen Capital Management, \$439,000 from O’Shaughnessy Asset Management to Unibank to cover next month’s warrants.*

### **Membership**

*On a motion made by P. Light and second by P. Mokrzecki, the Board voted unanimously to approve the new members and additional positions as follows:*

### **Membership**

Belval, Cody A	07/19/2017	100%	ASH	Highway Laborer
Clarke, Samuel H	08/07/2017	100%	SDW	Water System Operator
Dowd, Timothy H	07/10/2017	100%	FCH	Director & Property Mgt.
Gagne, Gizelle M	08/14/2017	100%	FCH	Property Manager
Harris, Philip J	07/03/2017	100%	OGE	Building Inspector
Inman, Tyler L	07/13/2017	100%	SHB	Operator/Laborer
Klump, Adam B	07/21/2017	60%	OGE	Airport Laborer
Korenewsky, Frederick	07/05/2017	100%	SND	Highway
Miller, Margaret T	08/29/2017	100%	HLT	Para Professional
Morales, Willie	07/10/2017	100%	NTD	Town Administrator
Spooner, Malgorzata	08/28/2017	100%	NSW	Teacher’s Aide
Valentine, Rory N	08/28/2017	100%	STB	Para professional
Wonkka, Philip D	07/01/2017	100%	ERV	Fire Chief

### **New Positions**

<u>Additional Position</u>		Prior %	New %		
Boehmer, Mary E	07/05/2017	100%		MOH	Summer Tutor
Boehmer, Mary E	07/05/2017	100%		HAW	Summer Tutor
Bromberg, Virginia E	07/01/2017	100%		MOH	Summer SPED Tutor
Chandler, Wilma D	07/05/2017	100%		MOH	SPED Summer Para
Cole, Rose M	07/05/2017	100%		MOH	SPED Summer Para
Crossman, Maura A	07/05/2017	100%		MOH	SPED Summer Para
EIBorgy, Omnia M	07/05/2017	80%		DER	Summer Instr. Asst.
Finn, Melissa M	07/05/2017	100%		MOH	SPED Summer Para
Fuller, Susan M	07/01/2017	100%		MOH	Summer Custodian
Gamelli, Katelyn G	07/05/2017	100%		MOH	SPED Summer Para
Henry, Tiffany M	07/01/2017	100%		MOH	Summer Tutor
Heon, Kelli M	07/05/2017	100%		MOH	SPED Summer Para
Holloway, Mary E	07/05/2017	100%		MOH	SPED Summer Para
Kearney, Mary E	07/05/2017	100%		MOH	SPED Summer Para

Kersavage, Carrie M	07/01/2017	100%		MOH	Summer Camp Counselor
Lannon, Chris E	07/01/2017	50%		SFF	Firefighter
Lemelin, Catherine S	07/01/2017	100%		MOH	Admin. Asst. Curriculum
Mazanec, Jacob W	07/05/2017	100%		MOH	SPED Summer Para
Meservey, Julia M	07/01/2017	100%		MOH	Summer Tutor
Nichols, Alan L	07/21/2017	100%		ASH	WWTP Asst. Operator
Plesnar, Melissa M	07/05/2017	100%		MOH	SPED Summer Para
Roberts-Crawford, Amy B	07/05/2017	100%		MOH	Summer Program Nurse
Rodrigue, Bridget S	07/21/2017	80%	100%	ASH	Admin. Asst. Select Board
Rush, Lillian A	07/05/2017	50%		MOH	SPED Summer Para
Shippee, Valerie J	07/01/2017	100%		MOH	Summer Tutor
Sliwoski, Christine M	07/05/2017	100%		MOH	SPED Summer Para
Stracco, Jon-Paul	07/05/2017	100%		MOH	SPED Summer Speech Language
Waldron-Hansen, Janice A	07/05/2017	100%		MOH	SPED Summer Teacher
Wickland-Shearer, Sharon A	07/01/2017	100%		MOH	SPED Summer Tutor
Yager, Barbara A	07/05/2017	100%		MOH	SPED Summer Para
Holloway, Patricia J	04/10/2017	100%		NTD	Weight Room Attendant

**New Retirees:**

*On a motion made by P. Light and a second by M. Stokarski, the Board voted unanimously to approve the following retirements:*

Boadway, Joanne - the retirement package has been submitted to PERAC to retire Joanne Boadway for a Superannuation, Option B retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 01, 2017. Ms. Boadway was a group 1 member working as the Supervisory Assistant for Frontier Regional School District/Union, accruing 17 years, 4 months of creditable service.

Caron, Beth - the retirement package has been submitted to PERAC to retire Beth Caron for a Superannuation, Option A retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 1, 2017. Ms. Caron was a group 1 member working as an instructional aide for the Town of Conway, accruing 28 years of creditable service.

Chadwick, Priscilla - the retirement package has been submitted to PERAC to retire Priscilla Chadwick for a Superannuation, Option C retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 01, 2017. Ms. Chadwick was a group 1 member working as a paraprofessional for Mohawk Regional School District, accruing 38 years(!) of creditable service.

Chapin, Linda - the retirement package has been submitted to PERAC to retire Linda Chapin for a Superannuation, Option C retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 1, 2017. Ms. Chapin was a group 1 member working as a librarian for the Pioneer Valley Regional School District, accruing 16 years, 11 months of creditable service.

Maguire, Clare - the retirement package has been submitted to PERAC to retire Clare Maguire for a Superannuation, Option C retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 1, 2017. Ms. Maguire was a group 1 member working in the cafeteria of the Pioneer Valley Regional School District, accruing 14 years, 4 months, 28 days of creditable service.

Rearick, Mary - the retirement package has been submitted to PERAC to retire Mary Rearick for a Superannuation, Option A retirement allowance. Her last day of work was June 30, 1992 and her retirement benefit will begin on July 5, 2017. Ms. Rearick was a group 1 member working as part-time teacher Leverett and Whately, accruing 14 years, 4 months of creditable service of which MTRS holds 14 years of the liability.

Schempp, Carol - the retirement package has been submitted to PERAC to retire Carol A. Schempp for a Superannuation, Option B retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 3, 2017. Ms. Schempp was a group 1 member working as a cafeteria worker for the Town of Deerfield, accruing 10 years, 2 months of creditable service.

Tresback, Joanne - the retirement package has been submitted to PERAC to retire Joanne Tresback for a Superannuation, Option A retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 1, 2017. Ms. Tresback was a group 1 member working for the Mahar Regional School District, accruing 29 years, 2 months of creditable service.

Wheeler, Harold - the retirement package has been submitted to PERAC to retire Harold Wheeler for a Superannuation, Option A retirement allowance. His last day of work was June 30, 2017 and his retirement benefit will begin on July 1, 2017. Mr. Wheeler was a group 1 member working as the Water Superintendent for the Shelburne Falls Fire District accruing 42 years (!), 10 months of creditable service.

Williams, Theresa - the retirement package has been submitted to PERAC to retire Theresa Williams for a Superannuation, Option A retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 14, 2017. Ms. Williams was a group 1 member working as an assistant cafeteria manager for the Pioneer Valley Regional School District, accruing 18 years, 1 month of creditable service.

Zimnowski, Debra - the retirement package has been submitted to PERAC to retire Debra Zimnowski for a Superannuation, Option C retirement allowance. Her last day of work was June 30, 2017 and her retirement benefit will begin on July 01, 2017. Ms. Zimnowski was a group 1 member working as the cafeteria manager for Frontier Regional School District/Union 38, accruing 22 years, 8 months of creditable service.

**Buybacks and Makeups:**

*On a motion made by P. Mokrzecki and a second by M. Stokarski, the Board voted unanimously to approve the following buybacks of creditable service:*

Lane, Molly – current member in the Town of Rowe has requested a make-up of service, prior to her enrollment on 10/18/2016, as a library director and school librarian for the Town of Rowe for the period 07/06/2013 – 10/17/2016. Service purchase is 2 years, 21 days at the cost of \$7,480.10 if paid by 09/30/2017; otherwise interest will continue to accrue as allowed by law.

Lively, Linda – current member in the Pioneer Valley Regional School District has requested a make-up of service, prior to her enrollment on 09/02/2009, as an aide for the Pioneer Valley Regional School District for the period 10/01/2007 - 06/30/2009. Service purchase is 1 year, 8 months, 15 days on a 12 for 10 basis at the cost of \$3,347.25 if paid by 9/30/17; otherwise interest will continue to accrue as allowed by law.

Scarborough, Kevin - Current member in the Town of Deerfield as the Superintendent of Public Works and a call firefighter with the South Deerfield Fire District, Kevin Scarborough was previously approved (May/2012) for two different buybacks for refunds from the State Board of Retirement. He has asked for an updated purchase amount. Board regulation requires a re-vote if the original approval is 5 or more years old.

1. Refunded on 4/17/1987 for service of 12/1/1985-2/27/1987: 1 year, 2 months, 27 days. Total cost if paid by 8/31/2017 is \$12,992.64
2. Refunded on 1/3/2003 for service of 7/6/1993 – 9/12/1998: 5 years, 2 months, 7 days. Total cost if paid by 8/31/2017 is \$36,494.02

**Change of service previously approved:**

*On a motion made by M. Stokarski and second by P. Light, the Board voted unanimously to change service for the following service previously approved:*

Yazwinski, Donna – current member of MTRB, MTRB asked for a review of her service. In 1994 her record was transferred to MTRB stating a start date of 9/4/1990 and an end date of 12/31/1993. The member was a teacher assistant through the Town of Deerfield with the last deductions being received July 1993 consistent with a school employee. The transfer letter did not indicate the liability FRRS would accept. It is recommended that FRRS accept 3 years' service (12-month basis) using service dates 9/4/1990 to 6/30/1993.

**Deaths:**

Fournier, Raymond - Option A retiree since 06/30/1997, Mr. Fournier worked for the Town of Orange as a school custodian, accruing 24 years, 4 months of creditable service. DOD was 7/10/17 at the age of 82.

Bliss, Janet – Option B retiree since 11/01/1991, Mrs. Bliss worked as a district nurse for the Western Franklin Public Health District, accruing 13 years, 10 months of creditable service. DOD was 8/19/17 at the age of 84. No annuity balance remains.

**General Business:**

**Elizabeth Bell litigation**

At 8:41 a.m., the Board voted in the affirmative, by roll call vote, to move into Executive Session. Roll call Vote: Mary Stokarski – aye; Paul Mokrzecki – aye; Paula Light – aye; Sandra Hanks – aye.

In executive session:

The Board discussed the Board's legal options in regards to DALA decision awarding Mrs. Bell accidental death benefits.

*On a motion made by P. Mokrzecki, and a second by M. Stokarski, the Board voted to instruct Board Counsel, Michael Sacco to appeal the DALA decision to award Mrs. Bell accidental death benefits. Mary Stokarski – aye; Paul Mokrzecki – aye; Paula Light – aye; Sandra Hanks – aye.*

A motion to come out of executive session was made at 8:50 a.m. and accepted by roll call vote. Roll call Vote: Mary Stokarski – aye; Paul Mokrzecki – aye; Paula Light – aye; Sandra Hanks – aye.

**Staff COLA**

A calculation of a base increase for a Cost of Living Adjustment (COLA), equal to the average monthly percentage change of the CPI (Consumer Price Index) for the twelve months from July of the prior year to June of the last most current year, was provided to the Board, and based on the result, the Board voted the following:

*On a motion made by P. Light and second by P. Mokrzecki, the Board unanimously voted to grant a 1.72% increase to the base salaries of staff beginning January 1, 2018.*

**2018 Draft Proposed Budget**

The first draft of the 2018 budget for the system was presented to the Board.

After a brief discussion, the Board's consensus is to ask the Advisory Council to approve an increase in the Board Member salaries.

**Ask Board about assessments paid late**

Dale Kowacki, Executive Director informed the Board that three units haven't paid their assessments as of August 23, 2017 and asked what the Board wanted to do about assessments paid late.

After some discussion, the Board members voted as follows:

*On a motion made by P. Mokrzecki and second by P. Light, the Board voted unanimously to charge actuarial interest effective July 1 for any assessments not received by August 1.*

#### Vote to increase retirees' COLA base

After a brief discussion, the Board decided to leave the maximum COLA base for the retirees' annual COLA at \$17,000.

#### Schedule Advisory Council annual meeting

The Board was presented statistics from the last two year's annual Advisory Council meetings as well as a 10-year history of attendance at the Council meetings with the suggestion that we do the same this year. The Board agreed to have the meeting here at the office.

No action, or votes, taken at this time.

#### Quarterly Investment Managers

##### Investment Consultant – Dahab Associates

Greg McNeille, Vice Chairman and Principal with Dahab Associates joined the meeting at 9:00 a.m. and reviewed the second quarter returns for the investment portfolio.

Also, the Board discussed with Greg if any further adjustments were needed to reallocate assets. Greg is happy with our asset allocation and sees no need to make any adjustments at this time.

Another discussion was in regards to the upcoming compliance re-bid on our fixed income bond manager. Greg informed the Board that DAHAB will be taking care of the compliance re-bid process.

##### Mid Cap Manager – Seizert Capital Partners

David Collon, Partner Portfolio Manager, and Christopher Heatley, Marketing and Client Services Manager joined the meeting at 9:40 a.m. and as required by law, provided, and the Board reviewed in depth, a comprehensive written quarterly report of investment performance, a review of the system's investments, and a report on the investment manager's current investment outlook or forecast and confirmed that the large-cap focus of the fund remains the same.

##### Bond Manager – Income Research & Management

Allison Walsh, Client Portfolio Manager, joined the meeting at 10:07 a.m. and as required by law, provided, and the Board reviewed in depth, a comprehensive written quarterly report of investment performance, a review of the system's investments, key personnel staffing changes, and a report on the investment manager's current investment outlook or forecast as well as strategy for the future.

#### Pay second third of the past due 3(8)(c) bill to the State Retirement? (Pending a progress report from the State Board.)

No action taken.

**Adjournment**

*On a motion made by P. Light and a second by M. Stokarski, the Board voted to adjourn the meeting at 10:45 a.m.*

Respectfully submitted,

**THESE MINUTES WERE APPROVED ON SEPTEMBER 27, 2017**

\_\_\_\_\_  
Dale C. Kowacki, Executive Director

\_\_\_\_\_  
Sandra A. Hanks, Chair and Treasurer

\_\_\_\_\_  
Paula J. Light, Council Member

\_\_\_\_\_ absent  
\_\_\_\_\_  
Gabriele H. Voelker, Board Member

\_\_\_\_\_  
Mary A. Stokarski, Board Member

\_\_\_\_\_  
Paul J. Mokrzecki, Board Member