

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
February 27, 2019

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 8:00 a.m. by Board Chair, Sandra Hanks with Board Members Paul Mokrzecki, Mary Stokarski, Angelina Bragdon and Gabriele Voelker 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 is on file in the retirement office, with the exception of those items that are restricted from public viewing.

Review and Acceptance of Meeting Minutes

On a motion made by M. Stokarski and second by G. Voelker, the Board voted unanimously to approve the minutes of the regular meeting held on January 30, 2019.

Payroll, Refunds, Transfers and Bills Warrants

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

Retirees Payroll	\$924,377.82
Refunds	27,737.66
Transfers	52,242.50
2018 Invoices	24,492.75
2019 Invoices	<u>72,308.17</u>
For a total of:	\$1,101,158.90

Paul Mokrzecki arrived at 8:02 a.m.

Cash Transfer between Investments and Bank

On a motion made by G. Voelker and a second by M. Stokarski, the Board, voted unanimously to transfer \$1,390,000.00 from PRIT Core Fund to Unibank to cover next month's warrants.

Membership

On a motion made by M. Stokarski and a second by A. Bragdon, the Board voted unanimously to approve the new members, new positions and additional positions as follows:

<u>NAME</u>	<u>HIRE DATE</u>	<u>C.S. %</u>	<u>New %</u>	<u>UNIT</u>	<u>POSITION</u>
Burke, Desirae	12/10/2018	100%		OGE	Long-term substitute
Craig, E. Rebecca	01/07/2019	100%		FCH	RAFT Administrator
Guyette, Herbert R	12/03/2018	100%		SFF	Fire Chief/EMS Director
Huntress, Gayellen A	01/23/2019	50%		STB	MLP Manager
Kersting, Johnathan C	02/06/2019	100%		OGE	Fire Fighter
Little, Chelsey	01/28/2019	100%		NTD	Superintendent of Waste Water
Murphy, Melissa A	01/07/2019	60%		NTD	Treasurer/Collector
Rodriguez, Nino L	02/05/2019	100%		OGE	Firefighter/Paramedic
Rosskothan, Melissa C	01/22/2019	100%		MOH	Behavior Analyst
Schindler, Diana M	01/02/2019	100%		DER	Interim Town Administrator
Smith, John J	02/04/2019	100%		OGE	Firefighter/AEMT
Zahm, Marlean E	01/02/2019	100%		SND	SPED Instructional Assistant
<u>New Positions</u>					
Burke, Desirae	01/22/2019	100%		OGE	1:1 Paraprofessional
Llamas, Andrea P	01/02/2019	100%		NTD	Town Administrator
Podosek Bosman, Lynn	01/02/2019	100%		DER	LT sub teacher
<u>Additional Position</u>					
Butler, Sarah	01/14/2019	100%		WTY	Bookkeeper - OST program
Cobileanschi, Oleg	12/11/2018	0%		GIL	Fire-fighter, on-call
Howard, Elizabeth J	01/11/2019	80%		DER	OST substitute
Massa, Thomas	01/26/2019	100%		MOH	Mass Ideas Weekend Institute

New Retirees:

On a motion made by P. Mokrzecki and a second by G. Voelker, the Board voted unanimously to approve the following retirements:

New Retirees:

Bardwell, Richard – The retirement packet has been submitted to PERAC to retire Richard Bardwell for a Superannuation, Option B retirement allowance. His last day of work was November 30, 2018 and his retirement benefit will begin on December 1, 2018. Mr. Bardwell was a group 4 member working as the Fire Chief and as a call firefighter for the Shelburne Falls Fire District, accruing 15 years, 2 months of creditable service.

Coburn, Leah – The retirement packet has been submitted to retire Leah Coburn for a Superannuation, Option C retirement allowance. Her last day of work was October 23, 2013 and her retirement benefit will begin on January 15, 2019. Ms. Coburn was a group 1 member working as the Collector/Treasurer for the Town of Colrain and as a paraprofessional for the Town of Rowe, accruing 11 years, 5 months of creditable service.

Conger, Susan – The retirement packet has been submitted to PERAC to retire Susan Conger for a Superannuation, Option A retirement allowance. Her last day of work was August 31, 2018 and her retirement benefit will begin on February 13, 2019. Ms. Conger was a group 1 member working as a bookkeeper/administrative assistant for the Franklin County Solid Waste Management District, accruing 15 years of creditable service.

Sadoski, Roger – The retirement packet has been submitted to PERAC to retire Roger Sadoski for a Superannuation, Option B retirement allowance. His last day of work was December 5, 2018 and his retirement benefit will begin on December 6, 2018. Mr. Sadoski was a group 1 & group 4 member working as the Superintendent for the South Deerfield Water Supply District and as a constable and police officer for the Town of Deerfield accruing 41 years, 2 months of creditable service.

Accept Liability for Buybacks and Makeups Through Other Systems:

On a motion made by G. Voelker and a second by P. Mokrzecki, the Board voted unanimously to approve the following buybacks and makeups:

Wickline, Karen – Montague Retirement Board has asked FRRS to accept creditable service liability if their current member, Karen Wickline, re-deposits a refund taken from this system. The refund taken on 12/18/2003 was for \$1,238.88, deductions only. Karen was an aide for the Pioneer Valley Regional School District. Creditable service was determined to be 1 year, 7 months, 15 days, contract days and 12 for 10 calculation, for the period 09/01/2001 to 06/30/2003.

Buybacks and Makeups:

Foxmyn, Wendy – current member with the Town of Deerfield has requested a make-up of service for time worked in Northampton from 5/9/88 to 9/5/89. Northampton Retirement Board has accepted 1 year, 3 months, 6 days of liability for this service. Total cost is \$10,255.09 if paid by February 28, 2019; otherwise interest will accrue as allowed by law.

Deaths:

Brazeau, Debhra - Option B retiree since 06/30/2017, Ms. Brazeau was a paraprofessional for the Town of Leverett school, accruing 16 years, 4 months of creditable service. DOD was 02/20/2019 at the age of 66. Her husband, Richard, will be receiving the balance in her annuity account.

Crosby, Kathleen - Option B retiree since 12/01/2008, Ms. Crosby was a cook for the Mahar Regional School District, accruing 25 years, 5 months of creditable service. DOD was 02/08/2019 at the age of 71. Her husband, Dana, will be receiving the balance in her annuity account.

General Business:

Post-retirement earnings

Dale Kowacki, Executive Director informed the Board that in switching to the biennial retirement benefit verifications (now July, every-other-year), we orphaned the part where we asked people to report their annual “post-retirement earnings”. As a result we received a few calls which prompted us to examine the process and thus sharpen our understanding of our role in the monitoring and collection of overearnings. As it turns out – FRRS is last in the chain of events.

The retiree is responsible for tracking, reporting, and rectifying overearnings. The employer is the report recipient and payment recipient of overearnings. The retirement system receives the money if the town doesn’t want to be involved, and the retirement system may pursue when overearnings have been identified.

Given that the retiree might have multiple employers, in system or out (Greenfield), and that earnings include pay types that are/were non-pensionable to system members (overtime and police details), and unworked minimum hours paid (guaranteed 4 hours) are excluded – it’s complicated to set up a system to monitor and catch all. Therefore staff would like to back away from collecting the data and leave it to the retiree to track, report, and rectify overearnings with their employer, and leave the retirement system to only be involved when overearnings have been identified.

On a motion made by G. Voelker and a second by A. Bradgon, the Board voted unanimously to not require retirees to report their annual earnings to the retirement system and to remove this request from the benefit verification form.

Vote Reallocation of last year’s budget line items

On a motion made by P. Mokrzecki and a second by G. Voelker, the Board voted unanimously to approve the following transfers between budget lines for 2018:

\$8,723.40 from:	Management Fees
\$3,954.78 to:	Equipment & Software Maintenance Services
\$4,768.62 to:	Furniture & Equipment

Quarterly Investment Managers:

Investment Consultant – Dahab Associates

Greg McNeillie, Vice Chairman and Principal, with Dahab Associates joined the meeting at 8:43 a.m. and discussed Loomis, Sayles & Company minimum account balance. Greg stated that this is an easy fix, we will be subject to the minimum fee of \$11,250 annually if our account is less than \$10 million.

Greg reviewed the 2018 fourth quarter returns for the investment portfolio.

In addition, Greg presented the Board with the results of the Mid Cap manager RFPs. At the Board’s November 28, 2018 meeting, the Board asked Mr. McNeillie to

conduct a search for both a mid-cap growth manager and a mid-cap value manager, and to bring to this meeting his recommendations to the Board.

After some discussion, the Board agreed to interview three (3) mid-cap managers to manage mid-cap growth and value for the benefit of the retirement system.

The Board selected the following three managers, from the pool of 39 that submitted proposals to be interviewed in 45 minute intervals by the Board on April 1, 2019 starting at 8:00 a.m.

Fiera Capital Corporation - Mid Cap Growth
Chartwell Investment Partners - Mid Cap Value
Ernest Partners – Mid Cap Value

PRIM – PRIT (State)

Francesco Daniele, Senior Client Services Officer joined the meeting at 9:49 a.m. Mr. Daniele gave a performance update, restated PRIM's core beliefs and discussed PRIM's 2019 asset allocation target range proposal that was approved at the PRIM Board meeting yesterday, February 26, 2019.

Fixed Income (Bonds) – Loomis, Sayles & Company

Joseph Beauparlant, Vice President, Relationship Manager joined the meeting at 10:20 a.m. and presented to the Board a comprehensive written quarterly report of investment performance, reviewed the firm's overview, and reported on the investment manager's current investment outlook or forecast as well as strategy for the future.

Adjournment

On a motion made by P. Mokrzecki and a second by G. Voelker, the Board voted to adjourn the meeting at 11:15 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON MARCH 27, 2019

Deborah A. Frentzos, Auditor

Sandra A. Hanks, Chair and Treasurer

Angelina J. Bragdon, Council Member

Gabriele H. Voelker, Board Member

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Vice Chair

This page intentionally left blank.