

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING
January 26, 2010

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 8:31 AM by Board Chair, Sandra Hanks with Board members, Herbert Sanderson, Mary Stokarski, and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe and Greg McNeillie, from DAHAB Consultants

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.

Review and Acceptance of Meeting Minutes

On a motion made by H. Sanderson and second by M. Stokarski, the Board voted unanimously to approve the minutes of the regular meeting held on December 22, 2009.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll warrant in the amount of</i>	<i>\$458,805.91</i>
<i>Refunds warrant in the amount of</i>	<i>\$1,603.67</i>
<i>January 2010 bills warrant in the amount of</i>	<i>\$81,835.24</i>
<i>2009 bills warrant in the amount of</i>	<i><u>\$43,169.25</u></i>
<i>For a total of:</i>	<i><u>\$585,414.07</u></i>

New Members

On a motion made by H. Sanderson and second by M. Stokarski, the Board voted unanimously to approve new and existing members as follows:

<u>New Members</u>	<u>UNIT</u>	<u>DATE</u>
Mankowsky, Michael J.	NTD	12/09/09
Miner, John P.	GIL	10/26/09
Von Hugg, Lynette A.	PNR	01/04/10

New Retirees

On a motion made by D. Gendron and second by H. Sanderson, the Board voted unanimously to approve the following retirees:

Briggs, Wayne – PERAC approval has been received for a Superannuation Option B retirement benefit effective December 1, 2009. Mr. Briggs was serving as the Construction Supervisor at the Franklin Regional Housing and

Redevelopment Authority for 9 years, 9 months and an additional 2 years, 1 month of liability held by State Retirement Board.

Noel, Donna – PERAC approval has been received for a Superannuation Option B retirement benefit effective December 31, 2009. Ms. Noel was serving as a Secretary at the Pioneer Valley Regional School District for 16 years, 5 months.

Beaubien, Robert – PERAC approval has been received for a Superannuation Option A retirement benefit effective November 30, 2009. Mr. Beaubien was serving as Truck Driver/Laborer with the Town of Northfield for 20 years.

P. Mokrzecki joined the meeting at 8:42 am

Disability Retirements:

On a motion made by M. Stokarski and second by D. Gendron, the Board, on the recommendation of it's attorney, voted unanimously to approve an Ordinary Disability retirement of John Tatro noting the PERAC medical panel has determined that Mr. Tatro is incapable of performing the essential duties of his job and that the incapacity is likely to be permanent.

Accept Liability for Buybacks through other Systems

Kamansky, Jeanne – In verifying a September 11, 2009 liability letter from PERAC regarding this person's retirement, the following issue came to light: In October, 1997, a letter was sent to Hampshire County Regional Retirement System stating the FRRS board "is willing to accept" liability for 9 years of creditable service for this person, for time served in Leverett as a tax collector and school employee beginning January 1, 1975 (appointed in Leverett and later elected) through the end of 1983. It has recently been discovered that Ms. Kamansky's elected work ended June 30, 1981 and her school work ended September, 1983. The correct liability of the FRRS is 8 years, 9 months creditable service. A letter has been sent to PERAC requesting a recalculation of FRRS's liability. It is interesting to note that the board voted in September of 1987 to accept 6 years, but there is no record in the board's minutes of a vote to accept 9 years. It seems appropriate for the board to vote the correct amount.

On a motion made by D. Gendron and a second by M. Stokarski, the Board voted unanimously to accept 8 years, 9 months liability for Jeanne Kamansky, for a make-up of service through the Hampshire County Retirement Board. Service was in the Town of Leverett beginning January 1, 1975 through September 30, 1983.

Buy Backs and Make-ups:

On a motion made by P. Mokrzecki and a second by D. Gendron, the Board voted unanimously to accept the following buybacks and make-ups:

Chase, Maryanne – current member with the Mahar Regional School District, has requested a make-up of service for time worked prior to enrollment. Ms. Chase was a substitute in the cafeteria. Actual hours worked between 11/12/1987 and

2/4/1988 equal 1 months, 13 days of creditable service at a cost of \$213.46 if paid by February 28, 2010 otherwise interest will accrue as allowed by law.

Donald M. Scott – current member with the Frontier Regional School District has requested a re-approval and interest update for a buyback originally calculated in March 1994. Hampden County will accept 5 years of creditable service for time worked as the Town Accountant in the Town of East Longmeadow from April 26, 1982 to April 25, 1987. If paid by February 28, 2010, the cost is \$23,171.18, otherwise interest will accrue as allowed by law.

Sally Zimmerman – Current member with the Pioneer Valley Regional School District has requested a re-approval and interest update for a buyback originally calculated in August of 2003 of a refund from the State Retirement for time worked at the Department of Motor Vehicles from September 5, 1972 to October 1, 1976. State Retirement will accept 4 years, 27 days of creditable service upon payment of the full refund plus interest. Total cost is \$5,035.81 if paid by February 28, 2010; otherwise, interest will accrue as allowed by law.

Sally Zimmerman – same person as above has requested a make-up of creditable service for time served as an elected Town Clerk with the Town of Leyden from June 2, 1978 to June 12, 1979 and time served as a Kindergarten Aide with the Pioneer Valley Regional School District from September 1, 1987 to June 30, 1988. Total creditable service allowed is 1 year, 3 months, 20 days for a cost of \$694.24 if paid by February 28, 2010; otherwise, interest will accrue as allowed by law.

Deaths

Staff reported the following retiree deaths:

Wendell Eaton died on 12/22/09 at age 77. He worked as a bus driver at Mohawk and retired on May 15, 2009 with a Superannuation Option C benefit. His wife Janet is his beneficiary and is now receiving an allowance.

Joseph H. Luce died on 1/15/10 at age 69. He worked as a laborer in the highway department for the Town of Orange and retired on December 1, 1993 with an Accidental Disability Superannuation Option A benefit.

General Business:

1) Travel approval for MACRS conferences

On a motion by M. Stokarski and a second by D. Gendron, the Board voted unanimously to approve staff and board travel to the MACRS conferences in June 2010 and Fall 2010

2) Vote Retirees COLA for July 1

The COLA which any retirement system may grant, pursuant to C.32, §103(c) and effective July 1, 2010 will be 0.0% unless the Board elects to increase this percentage at a duly called meeting pursuant to c. 32, §103(i). Proper notice has been sent to the legislative body of each of the member units noting that this

subject will be discussed, with the possibility of a Board vote on February 23, 2010 at 8:30 am.

3) Ethics Compliance – Appoint a Liaison

On a motion by D. Gendron and a second by M. Stokarski, the Board voted unanimously to appoint Dale Kowacki, Executive Director as the Municipal Liaison to the Ethics Commission.

4) Assessment Prepays

Jim Lamenzo, Chief Actuary, PERAC, has approved appropriation amounts that units could pay in-full on July 1, 2010, if they chose, thereby paying a total amount that is less than the sum of the two semiannual amounts, by the interest added to the second semiannual payment.

On a motion by M. Stokarski and a second by P. Mokrzecki, the Board voted unanimously to offer units a discount if assessments are paid in full on July 1st.

5) Investment managers –

9:10 - Greg McNeillie, Vice President, Dahab Consultants reviewed the Board's 4th quarter investment results. Greg stated that Rothschild should improve in performance as compared to the benchmark as the mid-cap universe stabilizes (in 2010?). Greg also stated that it is not yet time to reallocate by taking from equities and moving it to fixed income. Wait for fixed income to hit bottom. And it also is not time to add to our real estate (Prudential, PRIT, or otherwise).

Greg has the board's okay to make an internal adjustment to his allocation spreadsheet by increasing the target allocation to IR&M from 12.5% to 13.5%, and decreasing Prudential's target allocation from 5% to 4%. The purpose is to adjust/react to PRIT's change in allocation in that same area.

The Board voted to transfer cash from TDBank to PRIT and IR&M with the following vote.

On a motion by P. Mokrzecki and a second by M. Stokarski, the Board voted unanimously to transfer \$1,225,000 from the TDBank money market account to the PRIT Core Fund, and \$500,000 to Income, Research, & Management, as soon as possible.

9:40 – Paul Todisco, Senior Client Services Officer at PRIT reviewed the Board's 4th Quarter PRIT investment results and changes to the overall PRIT portfolio.

10:44 – Wayne Owen, Chief Executive Officer and Julie Lind, Portfolio Manager, both from Rhumblin, reviewed the Board's 4th Quarter investment results.

6) Michael Sacco's Policies and Procedures Manual

Attorney Sacco has been asked by another retirement board to develop a Policy and Procedures Manual and he has offered the manual to this Board as well if they wish to share in the development cost. After a short discussion, the Board chose not to participate at this time.

7) Review of Disability Retirees

The Board discussed options available, outside of PERAC reviews, to investigate whether or not an accidental disability retiree continues to be disabled. No action taken at this time except to note in a retiree record if questions arise.

8) Support for House Bill #2439 (Held over from December)

On a motion by D. Gendron and a second by P. Mokrzecki, the Board voted in the majority, with the exception of H. Sanderson, not to support House Bill #2439 at this time.

Adjournment

On a motion made by D. Gendron, and a second by H. Sanderson, the Board unanimously voted to adjourn the meeting at 11:45 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

These minutes were approved on February 23, 2010

Sandra A. Hanks, Chair

Herbert L. Sanderson Jr., Vice-Chair

David R. Gendron, Board Member

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member