

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
May 27, 2015

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 8:09 a.m. by Board Chair, Sandra Hanks with Board Members Paula Light, Paul Mokrzecki, Mary Stokarski and David Gendron present. Also present were Executive Director Dale Kowacki and Assistant Director Susan Bobe, Greg McNeillie, Dahab arrived at 8:35

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

Review and Acceptance of Meeting Minutes

On a motion made by M. Stokarski and second by P. Light, the Board voted unanimously to approve the minutes of the regular meeting held on April 28, 2015.

Payroll, Refunds, Transfers and Bills Warrants

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>\$688,533.68</i>
<i>Refunds</i>		<i>7,429.68</i>
<i>Transfers</i>		<i>43,948.25</i>
<i>Invoices 04-15W</i>		<u><i>131,939.20</i></u>
<i>Operating</i>	<i>40,084.55</i>	
<i>Investments</i>	<i>35,639.04</i>	
<i>3(8)c pmts to other Boards</i>	<i>56,215.61</i>	
<i>For a total of:</i>		<i>\$871,850.81</i>

Cash Transfer between Investments and bank

On a motion made by D. Gendron and a second by P. Light, the Board, voted unanimously to transfer \$400,000 from PRIT Real Estate to Unibank to cover next month's warrants. (see later vote to amend this vote).

Membership

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

New Members

Mitchell, Gary V.	04/08/2015	100%	HAW	Highway Equipment Operator
Scott, Linda A.	03/09/2015	90%	STB	Administrative Secretary, Conservation Commission & Library

Existing Members

Wheeler, Anne N.	09/22/2014	100%	MOH	Kindergarten Paraprofessional
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New Retirees

On a motion made by P. Light and second by D. Gendron, the Board voted unanimously to approve the following retirement:

Paul, William – the retirement package has been submitted to PERAC to retire William Paul for a Superannuation, Option C retirement allowance. His last day of work was March 30, 2015 and his retirement benefit will begin on March 31, 2015. Mr. Paul was a group 1 member working as a custodian for the Frontier Regional School District, accruing 11 years of creditable service.

Buybacks and Makeups

On a motion made by D. Gendron and second by P. Mokrzecki, the Board voted unanimously to rescind the make-up of service approved for Janice Towne at the July 2006 Board meeting.

July 25, 2006 - On a motion by D. Gendron and second by H. Sanderson, the Board voted to approve a make-up of 2 years, 5 months, 12 days creditable service for Janice Towne, current employee and member of Pioneer Valley Regional School District, for purchase of time worked prior to membership with FCRS (9/13/94 to 11/1/2000) for a cost of \$4,632.51 if paid by August 31, 2006. This cost includes regular deductions based on her earnings and interest at 4% annually.

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

Szafran, Robert – current member in the Town of Shelburne has non-membership service as a driver for the Council on Aging in the Town of Shelburne, eligible for purchase from October 2000 through April 29, 2007 for a total of 1 year, 6 months, 24 days, actual hours worked. Cost of the purchase is \$3,630.95 if paid by June 30, 2015; otherwise interest will accrue as allowed by law. Creditable service has been determined by actual hours worked using the gross wages divided by the hourly rate.

Additionally, membership eligible service of 27 days is available from 4/30/07 through 5/26/2007 for deductions only due to administrative error until 6/30/2015. Cost of this purchase is \$76.21. The Treasurer has provided copies of payroll and an hourly rate for all service. Total service cost is \$3,707.16. Total service is 1 year, 7, months, 21 days.

Towne, Janice – current member in the Pioneer Valley Regional School District was approved for a service purchase in August 2006. No payment was made and 5 years have passed since the original approval. The original vote was rescinded and this vote adjusts the allowable service and updates the cost of the purchase. The member has non-membership and membership eligible service for purchase as follows:

Pro-rated creditable service equal to actual hours worked in a school year:
September 13, 1994 to June 30, 1997 = 1 year, 1 month, 24 days
Cost is deductions plus interest = \$2,244.17

Creditable service equal to full time service rate for a school year:
September 1, 1997 to October 31, 2000 = 3 years, 2 months
Cost is deductions only if paid by 6/30/2015 = \$2,338.28

The total cost of the purchase, if paid by 6/30/2015, is \$4,582.45 otherwise interest will accrue as allowed by law. Total service if full purchase is made is 4 years, 3 months, 24 days

Austin, Debra – current member with the Town of Deerfield has requested a buyback of a refund in the amount of \$3,085.44 taken on February 28, 2002 from the Montague Retirement System. The Montague Retirement System will accept 1 year, 9 months, 25 days of creditable service for work between January 7, 2000 and November 2, 2001. Using ½ the actuarial rate, the amount of repayment is \$5,139.74 if paid by June 30, 2015; otherwise interest will accrue as allowed by law.

Deaths

Alden, Richard - Option A retiree since 10/07/1997, Mr. Alden was employed in the Highway Department for the Town of Orange, accruing 35 years, 10 months of creditable service. DOD was 5/4/2015 at the age of 76.

Kaempfer, Charles - Option B retiree since 03/01/2006, Mr. Kaempfer was employed as a transfer station attendant for the Town of Heath, accruing 16 years, 1 month of creditable service. DOD was 5/11/2015 at the age of 88.

Venette, June – Option B retiree since 8/31/1981, Mrs. Venette was employed as a secretary and assistant treasurer for the Mahar Regional School District, accruing 24 years, 10 months of creditable service. DOD was 5/11/2015 at the age of 89.

General Business:

Pay another third of the past due State 3(8)C bill

The 2014 State Board invoice has been received with a new contact name on the cover letter and PERAC continues to make progress on the recalculations of 3(8)c liabilities. An email has been sent to the new contact in hopes of moving this invoice along. The goal is to have significant corrections made to the invoice so that a payment can be made in July.

No action, or votes, taken at this time.

Review and sign Seizert Capital Partners, LLC contract (mid cap investments manager)

a. Preferences

On a motion made by P. Mokrzecki and second by P. Light, the Board voted unanimously to allow Seizert to vote the proxies on the Board's behalf.

On a motion made by P. Light and second by P. Mokrzecki, the Board voted unanimously to approve the use of its name in Seizert marketing material.

- b. Discuss Unrelated Business Tax Income (UBTI) – Dale discussed this point with Seizert and was informed that Seizert will not incur UBTI.
- c. Sign procurement paperwork indicating that the process was completed properly – Board members were each asked to sign this form.

Quarterly Investment Managers

Dahab Associates

Greg McNeille, Vice Chairman and Principal with Dahab Associates joined the meeting at 8:40 a.m. and reviewed the first quarter returns for the investment portfolio. Following this discussion the Board made the following motion:

On a motion made by P. Mokrzecki and second by P. Light, on the advice of its Investment Advisor, the Board voted unanimously to amend the earlier motion transferring \$400,000 from PRIT Real Estate to Unibank to a transfer FROM the PRIT CORE FUND of \$400,000 to Unibank.

On a motion made by P. Mokrzecki and second by P. Light, on the advice of its Investment Advisor, the Board voted unanimously to transfer \$160,000 from the PRIT CORE FUND to the PRIT INTERNATIONAL fund.

Polen Capital Management

Anthony Xuereb, Relationship Manager and Jeff Mueller, Research Analyst of Polen Capital joined the meeting at 9:15 for an annual performance update and confirmed that the large-cap focus of the fund remains the same.

O'Shaughnessy Asset Management

Chris Loveless, Principal, President and COO and Chris Meredith, CFA, Senior Portfolio Manager, and Director of Research and Portfolio Management joined the meeting at 9:55 a.m. Mr. Loveless and Mr. Meredith gave a performance update, and confirmed that the large-cap focus of the fund remains the same.

New Business

1. Prior to opening the meeting, David Gendron raised concerns about the process to discuss and decide election information. It was agreed to make it a discussion topic for the June, 2015 meeting.
2. As part of the discussion for the State Board 3(8)c payment, it was noted that Frontier Regional School District is one of the few units that pays its assessment in two payments. Dale was instructed by Board members to contact the Superintendent and/or the Financial Officer of the District to discuss the benefits of paying the assessment at the beginning of the fiscal year and saving the District thousands of dollars in interest.

Ajournment

On a motion made by D. Gendron and a second by P. Light, the Board voted to adjourn the meeting at 10:46 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON JUNE 24, 2015

Dale C. Kowacki, Executive Director

Sandra A. Hanks, Chair and Treasurer

Paula J. Light, Council Member

David R. Gendron, Vice Chair

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member

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