

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
August 26, 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 8:00 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, Assistant Director Susan Bobe, and Auditor Deb Frentzos.

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 D. Gendron and second by P. Mokrzecki, the Board voted unanimously to approve the minutes of the regular meeting held on July 28, 2015.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll</i>	<i>\$710,936.25</i>
<i>Refunds</i>	<i>50,354.95</i>
<i>Transfers</i>	<i>133,686.39</i>
<i>Invoices 08-15W</i>	<i><u>61,672.54</u></i>
<i>Operating</i>	<i>36,299.17</i>
<i>Investments</i>	<i>25,373.37</i>
<i>3(8)c pmts to other Boards</i>	
<i>For a total of:</i>	<i>\$956,650.13</i>

Cash Transfer between Investments and bank

On a motion made by P. Light and second by D. Gendron, the Board, voted unanimously to transfer \$592,000 from PRIT Core Fund to Unibank to cover next month's warrants.

Membership

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

New Members

Ballou, Vincent	05/13/2015	60%	SND	Custodian
Eisenstein, Hannah	07/19/2015	100%	DER	EMT-B
Pless, Tyler	07/01/2015	100%	PNR	Technology System Specialist
Seredejko, Janet	07/01/2015	10%	CON	Director of Out of School Time Programs
		60%	DER	
		20%	SND	
		10%	WTY	
Sumner, Hilma	05/08/2015	100%	HTH	Town Clerk
Crete, Andrea	07/01/2015	100%	OGE	Health Agent
Totman, Karen	07/01/2015	50%	MOH	School Committee Secretary
Plante, Paul	08/15/2015	100%	ROW	Driver

Additional Positions

Cranston, Maryellen	07/06/2015	0%	SHB	Temp. Part-Time Interim Town Administrator
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New Retirees

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

May, Gail - the retirement package has been submitted to PERAC to retire Gail May for a Superannuation, Option C retirement allowance. Her last day of work was June 30, 2015, and her retirement benefit will begin on July 1, 2015. Ms. May was a group 1 member working as a paraprofessional for the Town of Rowe, accruing 27 years, 2 months of creditable service. She also served on the Rowe Police Department and the Charlemont Ambulance Service and Police Department.

Richter, Kim – the retirement package has been submitted to PERAC to retire Kim E. Richter for a Superannuation, Option A retirement allowance. Her last day of work was June 30, 2015 and her retirement benefit will begin on August 17, 2015. Ms. Richter was a group 1 member working as a paraprofessional in the Mohawk Trail Regional School District accruing 27 years of creditable service.

Lane, Debra - the retirement package has been submitted to PERAC to retire Debra Lane for a Superannuation, Option A retirement allowance. Her last day of work was June 30, 2015 and her retirement benefit will begin on July 1, 2015. Ms. Lane was a group 1 member working as the Director of the Out of School Time Programs for the Towns of Conway, Deerfield, Sunderland and Whately accruing 17 years, 1 month of creditable service.

Nelson, Wanda – PERAC approval has been received for the Option D survivor benefit for Wanda Nelson, spouse of Duane Nelson who died on 3/28/2015. Mr. Nelson served the Town of Bernardston, the Bernardston Fire and Water District and the Franklin Regional Housing and Redevelopment Authority accruing 8 years, 5 months of service between 1991 and 9/30/2010.

Buybacks and Makeups

On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to approve the following buyback of creditable service:

Wisniewski, Valerie - current member in Shutesbury, Valerie has requested a make-up of part-time service in the New Salem Wendell Union 28 School District where she worked as a paraprofessional for the 2003-2004 school year. Payroll records and comparative analysis have been used to determine the cost of the purchase at \$755.61 if paid by September 30, 2015 for 3 months, 17 days of service.

Deaths:

Bourassa, Harry – Option C pop up retiree since 01/04/1997, Mr. Bourassa was employed in the highway department for the Town of Buckland, accruing 26 years, 8 months of creditable service. DOD was 08/09/2015 at the age of 82.

Scott, Russell - Option B retiree since 03/14/1993, Mr. Scott was employed as the Landfill Superintendent and the Fire Chief for the Town of Buckland, accruing 25 years, 5 months of creditable service. DOD was 07/24/2015 at the age of 84. No annuity balance remains.

Kulesa, Alexander – Option B retiree since 09/28/1998, Mr. Kulesa was employed as the Fire Chief for the Town of Sunderland, accruing 17 years, 7 months of creditable service. DOD was 08/14/2015 at the age of 73. No annuity balance remains.

Gray, Ruth – Option B retiree since 04/15/1981, Ms. Gray was employed as a clerk for the Shelburne Falls Fire District, accruing 25 years, 7 months of creditable service. DOD was 08/23/2015 at the age of 94. No annuity balance remains.

General Business:

Staff COLA for 2016

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. Mokrzecki and second by M. Stokarski, the Board unanimously voted to grant a 0.45% increase to the base salaries of staff beginning January 1, 2016.

Schedule Advisory Council annual meeting

The Board was presented statistics from last year's annual Advisory Council meeting with the suggestion that we do the same this year. The Board agreed to a luncheon meeting at the Franklin County Technical School – Apprentice Restaurant – date to be determined, with Treasurers and their staff invited and

“paid for”, while “social guests” (spouses, friends, other unit officials) will be required to pay their own way.

In addition, the Board requested the invitation be extended to the Board of Selectmen “paid for” by the system.

2016 Draft Proposed Budget

The first draft of the 2016 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 to \$4,500 beginning January 1, 2016. In addition, the Board agreed to include \$18,000 in the Audit Expense line item, and to amend our current contract with Melanson Heath, to have an independent audit done every year due to the requirements of the new GASB 67.

Quarterly Investment Managers

Investment Consultant – Dahab Associates

Greg McNeille, Vice Chairman and Principal with Dahab Associates joined the meeting at 8:32 a.m. and reviewed the second quarter returns for the investment portfolio.

Mid Cap Manager – Seizert Capital Partners

Charles “Chuck” Schmidt, Chief Operating Officer, Seizert Capital Partners joined the meeting at 9:20 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 and confirmed that the large-cap focus of the fund remains the same.

Bond Manager – Income Research & Management

Matt Dresser, Assistant Vice President, and Katy Galford, Analyst Income Research & Management, joined the meeting at 9:45 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, office expansion plans, and a report on the investment manager’s current investment outlook or forecast as well as strategy for the future.

Board Education Credits

Each Board Member was presented a record of their education credits to review.

Pay second 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. There has been no update from the State or further contact. The goal is to have significant corrections made to the invoice so that a payment can be made in October.

No action, or votes, taken at this time.

Progress report on Elizabeth Bell benefit application (David Bell)

Elizabeth Bell is currently receiving the \$12,000 widows' benefit since the death of David Bell. She has applied to receive Accidental Death benefits instead, which necessitates a review of the cause of death and whether it is related to the reason for David Bell's Accidental Disability retirement. At the July meeting, the Board voted to refer the matter back to Board Attorney Michael Sacco and ask him to dig deeper into the accuracy of the original retirement approval and whether the current application might be denied based on previously unrevealed conditions. As Michael was getting organized to proceed, he suggested we obtain an opinion from an independent physician. Sandy Hanks, Board Chair and David Gendron, Vice Chair agreed with that course of action, and so Board Attorney Michael Sacco has been moving in that direction by contacting the Cardiology department at the hospital here in Greenfield and making arrangements to send them the pertinent records to review.

From the July 28, 2015 Board meeting:

The PERAC single physician medical panel conducted a record review and offered an opinion with respect to the causal relationship, if any, between Mr. Bell's retirement and his death. The report had been received and sent to Michael Sacco for review. Attorney Sacco's report suggested further investigation into Mr. Bell's non-cardiac conditions.

On a motion made by M. Stokarski and a second by D. Gendron, the Board unanimously voted to have Board Attorney Michael Sacco request and review records pertaining to the circumstances of Mr. Bell's retirement from the State of New Jersey, and review the records pertaining to Mr. Bell's retirement from the Town of Deerfield, and investigate if there might have been pre-existing conditions not revealed at the time that would have disqualified the original application, and thus negate the current application.

No action, or votes, taken at this time.

Adjournment

On a motion made by M. Stokarski and a second by P. Light, the Board voted to adjourn the meeting at 10:31 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON SEPTEMBER 30, 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