

**FRANKLIN REGIONAL RETIREMENT SYSTEM
REGULAR BOARD MEETING MINUTES
August 28, 2024**

A meeting of the Franklin Regional Retirement Board, duly posted to be held via remote participation on the above date, was called to order at 8:30 AM by Board Chair Sandra Hanks, with Board Members Angel Bragdon, Gabriele Voelker, and Mary Stokarski, present. Present in the Board office located at 101 Munson Street, Suite 108, Greenfield MA was Executive Director Kristine Mathis, Assistant Director Ashley Manley, Member Services Accountant Nicole Gaspar, and Member Services Accountant Diane Wright. Paul Mokrzecki was not in attendance.

Review and Acceptance of Meeting Minutes

On a motion made by Angel Bragdon and a second by Mary Stokarski, the Board voted unanimously to approve the following minutes:

- July 31, 2024, regular minutes

Payroll, Refunds, Transfers and Bills Warrants

A motion was made by Angel Bragdon to approve the following warrant totals, Mary Stokarski seconded the motion. All ayes

Retirees		\$1,267,218.84
Refunds		\$118,077.62
Transfers		\$0.00
Invoices	2024	\$104,257.09
Less Comcast Mobile on 7-24W		(\$73.04)
For an adjusted total		\$1,489,480.51

Cash Transfer between Investments and Bank

On a motion made by Gabriele Voelker and a second by Angel Bragdon, the Board voted unanimously to transfer \$300,000 from PRIT Core Fund to cover September's warrants. All ayes

Visitors: From Dahab Associates, Greg McNeillie-Vice Chairman, Principal, and Kevin Condy-Director of Research. Renee Davis and Mike Pelleriti, from Powers-Sullivan/MARCUM. Mark Giovanniello, Chief Investment Officer, Portfolio Manager, and Chuck Barrett, Director of Sales and Marketing from Copeland Capital Management. Christopher Colarik, Head of US Smaller Companies and Matt Murdoch, Senior Director, U.S. Institutional from Aberdeen Investments.

Membership (new members, new positions, additional positions)

A motion was made by Angel Bragdon and seconded by Gabriele Voelker to accept the following new members, new positions, and additional positions. All ayes.

<u>New Memberships</u>	<u>HIRE DATE</u>	<u>C.S. %</u>	<u>New %</u>	<u>UNIT</u>	<u>POSITION</u>
Bressani, Katrina	7/1/2024	100%	-	MHR	Food Services Director
Chartier, Denise	7/8/2024	100%	-	FCH	Senior Staff Accountant
Novis, Lori	7/22/2024	60%	-	BER	Library Director
Patria, Thomas	7/15/2024	100%	-	DER	Program Coordinator South Cty Senior Ctr
Slocum-Wysk, Christina	7/1/2024	60%	-	BER	Town Clerk
Smith-Harder, Amber	7/14/2024	70%	-	ERV	Assistant Library Director
Stone, Jason	8/12/2024	100%	-	FCH	Maintenance Mechanic
Sumner, Mary	5/11/2024	100%	-	HTH	Town Clerk - Elected
Taylor, II, Harry	7/22/2024	100%	-	ASH	Highway Laborer
Woofenden, Alia	8/26/2024	100%		MOH	Paraprofessional
Yarmesky, Stephanie	8/6/2024	80%	-	FRT	Bookkeeper
			-		
<u>New Positions</u>					
Uzdavinis, Dylan	8/14/2024	100%	-	WTY	Highway Senior Operator
<u>Additional Positions</u>					
Atkins, Tracy	7/8/2024	100%		HLT	Summer Academy Support
Conaway, Gary	6/17/2024	90%		NTD	Summer Program Director
Donahue, Cynthia	7/8/2024	100%		HLT	Summer Academy Support
Foote, Carol	8/28/2024	100%		MOH	Internship Coordinator
Gougeon, Rebecca	9/3/2024	100%		MOH	After School Program
Herzig, Tammy	7/8/2024	100%		HLT	Summer Academy Support
Kehoe, Joyce	8/26/2024	100%		MOH	Mentor-Paraprofessional
Lively, Marilyn	8/26/2024	100%		MOH	Mentor-Paraprofessional
Moriarty, Heidi	7/8/2024	100%		MOH	Summer Substitute
Richards, Christina	7/8/2024	100%		DER	Summer School IA
Sawyer, Julie	8/5/2024	100%		MOH	Summer Camp Howe
Sessions, Denise	8/26/2024	100%		MOH	Sub Caller
Shearer, Eugenia	8/26/2024	100%		MOH	Mentor-Paraprofessional
Shero, Amanda	9/3/2024	100%		MOH	Before School Program
Spurling, Glenda	9/3/2024	100%		MOH	After School Program
Unaitis, Andrea	8/12/2024	100%		MOH	Summer Camp Howe
Upright, Anita	8/26/2024	100%		MOH	Mentor-Paraprofessional

Waters, Patricia	8/28/2024	100%		MOH	Barr/LT Equity Support
Woofenden, Alia	8/26/2024	100%		MOH	MS Exploratory

A motion was made by Gabriele Voelker to accept the Liability for Buybacks, Angel Bragdon seconded the motion. All ayes

Accept Liability for Buybacks and Makeups Through Other Systems:

Hager, Donald – current member in the Town of Orange has requested a purchase of service prior to his enrollment in the Franklin Regional Retirement System. Mr. Hager worked as a police officer in the Town of Barre prior to his membership on 02/24/2021. Eligible 4(2)b service begins with Barre as a police officer on 09/30/2014 up to 03/18/2015. Total service is 5 months, 18 days at a cost of \$412.30 if paid **by 9/30/2024**; otherwise, interest will accrue as allowed by law.

A motion was made by Angel Bragdon and seconded by Mary Stokarski to accept the new retiree as presented. All ayes

New Retiree:

Balog, Kathleen – The retirement packet has been submitted to PERAC to retire Kathleen Balog for a Superannuation, Option B retirement allowance. Her last day of work was June 30, 2024 and her retirement benefit will begin on June 30, 2024. Mrs. Balog was a group 1 member working as a student services office manager for the Pioneer Valley Regional School District, accruing 25 years, 5 months of creditable service.

Fox, Kevin – The retirement packet has been submitted to PERAC to retire Kevin Fox for a Superannuation, Option A retirement allowance. His last day of work was June 28, 2024 and his retirement benefit will begin on June 30, 2024. Mr. Fox was a group 1 member working as a Town Administrator for the Town of Colrain, accruing 22 years, 9 months of creditable service.

Nolan, Susan – The retirement packet has been submitted to PERAC to retire Susan Nolan for a Superannuation, Option C retirement allowance. Her last day of work was June 30th, 2024 and her retirement benefit will begin on July 1st, 2024. Ms. Nolan was a group 1 member working as an aide for the school department in the Town of Orange, accruing 27 years, 5 months of creditable service.

Williams, Randall – The retirement packet has been submitted to PERAC to retire Randall Williams for a Superannuation, Option B retirement allowance. His last day of work was June 30, 2024 and his retirement benefit will begin on July 1, 2024. Mr. Williams was a group 4 member working as a police officer for the Towns of Conway and Whately, accruing 24 years, 2 months of creditable service.

General Business

1. Pension Payroll Posting Date Policy Update

A motion was made by Gabriele Voelker and seconded by Mary Stokarski to accept the updated policy regarding pension payroll dates. All ayes

2. Cybersecurity Theft (Brown&Brown quote)

Due to time constraints, this topic was moved to our September meeting.

3. Education Classes

Due to time constraints, this topic was moved to our September meeting.

4. Preliminary Budget for 2025

Reviewed, need further discussion. Gabe questioned why we need to upgrade our computers just because Microsoft is transitioning to Microsoft 11; she indicated that all small towns are working on old computers and how are they going to afford to get new computers. Kristine explained that Microsoft will charge a fee per computer for individuals to continue to run Microsoft 10. Each year the fee will increase until they finally say, they will no longer support Microsoft 10. If we do not upgrade and continue to run Microsoft 10, the computers will no longer receive security updates after October 2025. Gabe then asked if Mark would come to the meeting in September and give a brief presentation explaining why he feels upgrading all the existing computers is necessary. No other concerns with the preliminary budget at this point. Will discuss at next meeting and vote.

5. IT Update – Quote for New Computers

Due to time constraints, this topic was moved to our September meeting.

6. Powers & Sullivan/MARCUM Auditors exit presentation 8:45 AM

Independent Audit Presentation given by Renee Davis

2/1/2024 Powers & Sullivan merged with MARCUM; the reports will be under Powers & Sullivan this year. May have another name change before next year's audit

Results – no material weaknesses or significant deficiencies discovered.

Recognize the significant staffing changes that have taken place.

Changes recommended in the management letter are the same ones that have been presented over the last several years.

1. 6 units do not provide full payroll reports

2. Track errors in payroll audits in Access but do not have a system to go back and update Access once the errors have been resolved; recommend implementing a policy to circle back and update Access

Renee suggested that the Board allow Kristine time to try to resolve these issues or to determine whether or not it is financially sound to take the time necessary to resolve them. Then update MARCUM with the findings.

@ 8:53 a.m. began talking about the Audit Opinion

Began their main testing in May including revenues, journal entries, disbursements, refunds & transfers, NMAs, active members, ledgers, PERAC annual statement and PERAC testing. Then in June/July once the actuarial valuation was complete, they completed their audit process.

No issues discovered which is the best audit opinion you can get

Kristine will need to sign the rep letter and then MARCUM/Powers & Sullivan will send the final financial audit report.

Income Statement compares the contributions versus our payouts to retirees. We payout more than we receive but that is not unusual. The difference is made up by investment earnings. The net pension liability shows that we are currently 75.63% funded. Units are waiting for the 805 Report on page 28 which provides the allocations broken down by unit.

7. Quarterly Investment Meetings

9:00 a.m. Investment Consultant, **Dahab** Associates

9:30 a.m. Small Cap – Copeland

10:00 a.m. Small Cap – Aberdeen

Greg McNellie, began his Quarterly Investment Meeting at 9:12 a.m. Greg spent about 10 minutes talking about the Total Fund Asset Allocation Analysis on page 7. PRIT is overweighted with large cap while Dahab is overweighted with small cap & mid cap. They try to align allocation and targets as close to the PRIT fund as possible. Fixed income has seen negative returns; private equity has a lag in their results. The results we saw are typical of a well-diversified plan. Under performance is due to Chartwell & Polen. Bonds have done very well as has the real estate sleeve.

Copeland began their presentation at 9:41 a.m.

Chuck Barrett and Mark Giovannello joined from Copeland.

Copeland will celebrate 20 years in 2025; they have never lost an employee within their investment team. 16% return versus the 13% benchmark. Mark Giovannello provided details of Copeland's philosophy; goal is to raise dividends and reinvest in the business; they invest in companies whose business philosophy and plan demonstrate that they will double their returns within 3-5 years. They have 755 names in SC & MCV funds; focus on companies that are increasing their dividends; avoid the downside but also do not put all monies in the big hitters – don't look to make big bets because the market is so volatile. They feel they are well positioned for good returns over the next quarter.

Aberdeen began their presentation @ 9:59 a.m.

Matt Murdoch and Christopher Colarick joined from Aberdeen.

\$460 Billion in assets; currently undergoing a new CEO search. Quantitative screens are utilized which do a 20-year lookback to find companies with similar business investment strategies. Three analysts – Scott, Joe, and Stephanie, they do a deep dive into all investors and then have a peer discussion; ask questions of one another and then go back to do more research; meet again so everyone is on the same page before making strategy decisions which leads to portfolio construction. Performance has been above benchmark – last 3 months 1.79% versus benchmark of -3.28%

YTD performance – 1.61% versus benchmark of 1.73%. Greg McNeillie asked him how he felt about utilizing the S&P 600 instead of the Russell 2000; Chris indicated that the makeup of the S&P 600 is much different than the Russell 2000 and that they needed more SC strategists for the Russell 2000. Two biggest national events that will have an impact on the market is the federal rate cut and upcoming elections. Three biggest stock companies are Staples, ELF Beauty and Boot Barn.

New Business: None

Progress reports

No updated news regarding disability applications

Adjournment

On a motion made by Gabriele Voelker and seconded by Angel Bragdon, the Board voted unanimously to adjourn the meeting at 10:39 AM.

Respectfully submitted,

THESE MINUTES WERE APPROVED AT SEPTEMBER 25, 2024 REGULAR BOARD MEETING

Ashley Manley, Assistant Director

Kristine Mathis, Executive Director

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