HOLYOKE RETIREMENT BOARD
MARCH 29, 2017
MINUTES

The regular Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 8:02 A.M. Present were Michele Aubrey, Rory Casey, Daniel Owens and Bellamy Schmidt. Also present was Executive Director, Cheryl Dugre.

I. Minutes of Board meeting held on February 22, 2017.

On separate motions made by Mr. Owens, seconded by Ms. Aubrey it was voted unanimously (5-0) to accept Item I “Minutes,” Item II “Bank Reconciliation,” Item III “Statement of Financial Activities,” Item IV “Retirement Applications,” and Item V “Expenses.” Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, Mr. Owens and Mr. Schmidt.

II. Bank Reconciliation:
People's Checking account - as of February 28, 2017
People's Payroll account - as of February 28, 2017

III. Statement of Financial Activities:
The Board reviewed statements for February 2017.

IV. Retirement Applications:
Dorothy Blain-Hamel Council on Aging 04/29/2017 Superannuation
Kirk Donahoe School Department 02/03/2017 Superannuation
Thomas Gajda Fire Department 03/20/2017 Superannuation
William Lempke Police Department 03/18/2017 Superannuation
Warren Tanguay Fire Department 04/29/2017 Superannuation
Gary Wagner Police Department 03/18/2017 Superannuation

V. Expenses:
A. Bills..........................$ 4,292.44
   Refunds.......................... 12,166.47
   Transfers.......................... 56,622.54
   Legal Fees.......................... 6,890.62
   3(8): Reimbursement............. 318,166.86
   Office Payroll.................... 35,820.55
   Service Contracts................ 554.51

B. Pension Payroll................... $1,751,182.74
   Annuity Payroll................... 326,649.91
   Total Payroll.................... $2,077,832.65

VI. Issues-Request-Policy:
A. PERAC Memos and Correspondence:
   Memo #14/2017 Compliance Training on PERAC's PROSPER
   Memo #15/2017 STS/Lstar Event
   Memo #16/2017 Tobacco Company List

B. Pension Appropriations:
C. Disabilities:
Mr. McCarthy asked the Board to go into Executive Session. He said Executive Session is necessary to discuss the details and medical reports of the various disability applications. Mr. McCarthy said the Board would reconvene after the Executive Session. A roll call vote was taken to go into Executive Session. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, Mr. Owens and Mr. Schmidt.

EXECUTIVE SESSION ................. 8:25 A.M.
EXECUTIVE SESSION adjourned ...... 8:40 A.M

On a motion made by Mr. Casey, seconded by Mr. Owens, the Board voted unanimously (5-0) petition PERAC to convene a medical panel for Ms. Sheila Moran based on the medical evidence provided. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, Mr. Owens and Mr. Schmidt.

On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to table discussion of Mr. James Wilson’s medical panel certificates on the advice of legal counsel. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, Mr. Owens and Mr. Schmidt.

D. Erica LeCours:
Ms. LeCours is leaving the employ of the Holyoke Retirement Board. Ms. Dugre informed the Board that Melissa Melendez would be taking on new responsibilities. The Board authorized Ms. Dugre to pay a part-time temporary person $15 per hour to provide assistance and coverage for the period of time it takes to hire a replacement.

On a motion made by Mr. McCarthy, seconded by Mr. Schmidt, the Board voted unanimously (5-0) to increase Ms. Melendez’s salary to $47,000 effective April 1, 2017. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, Mr. Owens and Mr. Schmidt.

E. PROSPER:
PERAC’s new system, PROSPER, will be rolled out in the next few months. PROSPER provides a secure shared data base for Administrators and Board Members. Ms. Dugre attended a training session and highly recommended to the Board members that they also attend a session.

F. COLA:
Ms. Dugre informed the Board that according to Segal Actuary, Kathy Riley, increasing the COLA base by $1,000 would result in a $2.3 million increase to the unfunded liability. Additionally, the FY2018 appropriation would increase by $255,000, and 3% on that amount every year after.

Discussion ensued as to how to provide some relief to retirees without breaking the City budget. Mr. Owens suggested a “thirteenth check” option, which would provide a retiree with an extra
check in a year or time period where the portfolio beat its benchmark by a predetermined percentage.

The Board directed Ms. Dugre to pursue this with Board Attorney Gibson as to the legality of proceeding with something like this.

G. **Election Update:**
Ms. Dugre reported that notices of election will be going out this week. Nomination papers will be available in the office on April 3, 2017, due back by May 15, 2017. If need be, the election will take place on June 30, 2017. Ms. Dugre suggested that Melissa Melendez be named Election Officer, in place of Erica LeCours. The Board agreed.

Mr. Depelteau joined the meeting at 8:55 A.M.

H. **Investments:**
1. **Performance:**
   The Board reviewed the December 2016 and February 2017 performance and cashflow worksheets. Mr. Depelteau said the Fund returned 9.43% for 2016 compared with PRIT’s 8.02%. This resulted in $57 million more in the Fund than if the assets had been invested in PRIT in 2009.

   The fund is off to a good start in 2017. Year-to-date in February the fund is up 4.2%. However, Mr. Depelteau opined that March has been choppy and there may be some backtracking.

2. **Tactical Changes:**
   The Board reviewed the tactical changes worksheet. The value vs. growth bet deserves closer watching.

3. **Emerging Markets RFP:**
   The Board is in receipt of a worksheet highlighting the results of the RFP. 32 responses were received. Based on the evaluation criteria, 6 firms, including incumbents Lazard and OFI, were ranked “highly advantageous.” Mr. Depelteau brought to the Board’s attention that 3 firms submitted RFPs for “small cap” emerging markets. All were ranked “advantageous.” Mr. Depelteau suggested that the small cap emerging markets may offer an interesting additional alternative to the current allocation.

   On a motion made by Mr. Owens, seconded by Mr. Schmidt, the Board voted unanimously to invite the following managers in to be interviewed at the next regularly scheduled Board meeting:

   Lazard Asset Management, Incumbent
   OFI Global, Incumbent
   Aberdeen Asset Management
   LMCG Investments (small cap emerging markets)

   Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, Mr. Owens and Mr. Schmidt.

4. **Other:**
   Mr. Depelteau discussed PRIT’s asset allocation changes with the Board. He also advised the Board that TerraCap’s annual meeting is on May 10, 2017 should anyone want to attend.
I. **April Meeting:**
The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Wednesday, April 26, 2017 at 9:00 A.M.

There being no further business, a motion to adjourn was made by Mr. Schmidt, seconded by Mr. Casey, passing unanimously (5-0).

MEETING .................. adjourned 9:34 A.M.

Respectfully submitted,

Cheryl A. Dugre  
Executive Director

ATTESTED TO:  

John T. McCarthy (Chairman)  
Elected Member

Michele Aubrey  
Appointed Fifth Member

Daniel R. Owens  
Elected Member

Bellamy H. Schmidt  
Acting Ex-Officio Member

Rory Casey  
Appointed Member