HOLYOKE RETIREMENT BOARD
AUGUST 22, 2018
MINUTES

The regular Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 8:31 A.M. Present were Michele Aubrey, Anthony Dulude, and Bellamy Schmidt. Also present was CIO Raymond Depelteau, Executive Director, Cheryl Dugre, and Assistant Executive Director Melissa Melendez. Rory Casey was absent.

I. Minutes of Board meeting held on July 25, 2018.

On separate motions made by Mr. Schmidt, seconded by Ms. Aubrey, it was voted unanimously (4-0) 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. Dulude, Mr. McCarthy, and Mr. Schmidt.

II. Bank Reconciliation:
Peoples Checking account - as of July 31, 2018
Peoples Payroll account - as of July 31, 2018

III. Statement of Financial Activities:
The Board reviewed statements for July 2018.

IV. Retirement Applications:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Superannuation</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayda Medina</td>
<td>School Department</td>
<td>Superannuation</td>
<td>06/30/2018</td>
</tr>
<tr>
<td>Carmen Cantres</td>
<td>School Department</td>
<td>Superannuation</td>
<td>09/08/2018</td>
</tr>
<tr>
<td>Linda Smith</td>
<td>School Department</td>
<td>Superannuation</td>
<td>09/01/2018</td>
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<tr>
<td>Deborah Angers</td>
<td>School Department</td>
<td>Superannuation</td>
<td>09/29/2018</td>
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<tr>
<td>Margaret Lemire</td>
<td>Council on Aging</td>
<td>Superannuation</td>
<td>10/20/2018</td>
</tr>
</tbody>
</table>

V. Expenses:
A. 
   - Bills..............................................$ 1,790.45
   - Accounting Services ......................... 4,000.00
   - Office Payroll............................... 37,556.72
   - Refunds and Transfers ..................... 68,040.81
   - Management Fees............................ 124,264.59

B. 
   - Pension Payroll............................ $1,850,113.96
   - Annuity Payroll.............................. 360,298.24
   - Total Payroll.................................. $2,210,412.20

VI. Issues-Request-Policy:
A. PERAC Memos and Correspondence:
   - Memo #23/2018 Reinstatement to Service under G.L. c. 32 §105
   - Memo #24/2018 Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors
B. Pension Appropriations FY2019:

<table>
<thead>
<tr>
<th></th>
<th>Total Due</th>
<th>Total Paid</th>
<th>Balance Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$11,894,294.00</td>
<td>$1,982,382.34</td>
<td>$9,911,911.66</td>
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<tr>
<td>Gas &amp; Electric</td>
<td>3,933,325.00</td>
<td>327,777.08</td>
<td>3,605,547.92</td>
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<tr>
<td>Water</td>
<td>531,980.00</td>
<td>0.00</td>
<td>531,980.00</td>
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<tr>
<td>Housing</td>
<td>900,302.00</td>
<td>150,050.30</td>
<td>750,251.70</td>
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<tr>
<td>Waste Water</td>
<td>28,211.00</td>
<td>0.00</td>
<td>28,211.00</td>
</tr>
<tr>
<td>Total</td>
<td>$17,288,112.00</td>
<td>$2,460,209.72</td>
<td>$14,827,902.28</td>
</tr>
</tbody>
</table>

C. Disabilities:
Mr. McCarthy asked the Board to go into Executive Session under Purpose 7 of the Open Meeting Law: "To comply with, or act under the authority of, any general ... law ...", that law being Exemption (c) of the Public Records Law (G.L. c. 4, s. 7(26)(c)) exempting personnel and medical files or information and other materials or data relating to a specifically named individual, the disclosure of which may constitute an unwarranted invasion of personal privacy. A roll call vote was taken to go into Executive Session. Voting "yes" were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

EXECUTIVE SESSION ..................... 8:44 A.M.
EXECUTIVE SESSION adjourned ...... 8:51 A.M.

On a motion made by Mr. Schmidt, seconded by Mr. Dulude, the Board voted (3-1) to approve an Accidental Disability Retirement for Jesuan Quinonez, based on the medical evidence presented in the medical panel certificates. Voting "yes" were Mr. Dulude, Mr. McCarthy, and Mr. Schmidt. Ms. Aubrey voted "no."

D. Section 101/Chapter 139 of the Acts of 2012:
Mr. Schmidt brought to the Board's attention that the Board in 2015 requested City Council approval to increase the statutory Section 101 benefit to $12,000. No action was ever taken. He said that the request should be resubmitted.

On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (4-0) to adopt the provisions of Sections 63, 64 and 65 of Chapter 139 of the Acts of 2012, and resubmit the request for City Council approval, as required by statute. Voting "yes" were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

E. 13th/Bonus Check:
The Board reviewed a worksheet prepared by Mr. Depelteau illustrating the cost of providing a 13th check to retirees and survivors, in lieu of COLA, if the Fund's annual performance was 3% over the actuarial assumptions on a rolling 3 year period. The worksheet highlighted that the actuarial gains due to investment performance, would more than cover the cost of the extra benefit. The next step is to ask Board Attorney, Thomas Gibson for assistance with formulating the language so that the idea could be submitted for City Council approval.

F. Investments:
1. July Performance:
The Board reviewed the cashflow and performance worksheets through July.

Year to date the Fund is 62 basis points ahead of the PRIT fund.
2. **Small Cap Search:**
The Board interviewed 3 finalists for the Small Cap Core mandate; the incumbent Fidelity Institutional Asset Management, Aristotle Capital Boston, and Wisdom Tree. The Board was very impressed with all three presentations and acknowledged what a difficult decision it was. Each of the managers had excellent past performance records, strong management teams and strength and stability of their organizations.

After much discussion and debate, on a motion made by Mr. Dulude, seconded by Mr. Schmidt, the Board voted unanimously (4-0) to re-hire Fidelity and hire Aristotle. Fidelity’s portfolio will be reduced to $10 million and Aristotle will be given $8.5 million. Voting “yes” were Ms. Aubrey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

3. **PERAC/Schwab:**
The Board is in receipt of LPL and Schwab’s response to PERAC.

G. **CIO Compensation:**
Citing the exemplary job CIO Raymond Depelteau has done advising the Board with investing, Mr. Schmidt made a motion to increase his salary to $100,000 annually, effective September 1, 2018. Ms. Aubrey seconded it. Voting “yes” were Ms. Aubrey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

H. **September Meeting:**
The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Thursday, September 27, 2018 at 2:00 P.M.

There being no further business, a motion to adjourn was made by Mr. Schmidt, seconded by Ms. Aubrey, passing unanimously (4-0) on a roll call vote. Voting “yes” were Ms. Aubrey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

MEETING .........................adjourned 11:15 A.M.

**List of Documents Reviewed at 8/22/18 Meeting:**
Draft minutes of 7/25/18 meeting
Statement of Financial Activities as of July 2018
Cash Requirement Forecast
Appropriation FY2019 Worksheet
PERAC Memos #23-24/2018
13th/Bonus Check Worksheet
Copy of letter to City Council in 2015 regarding increase in Section 101 benefit

Regarding Investments:
- July Worksheets and Cashflow
- Small Cap Finalists presentation materials
- Schwab/Laudus fund response to PERAC

Regarding Disabilities:
- Medical Panel Certificates for Jesuan Quinonez
- Atty. Gibson emailed recommendation

PERAC Press Release
*The Voice* September 2018 Issue
Respectfully submitted,

Cheryl A. Dugre
Executive Director

ATTESTED TO:

John T. McCarthy (Chairman)
Elected Member

Michele Aubrey
Appointed Fifth Member

Rory Casey
Appointed Member

Anthony Dulude
Elected Member

Bellamy H. Schmidt
Ex-Officio Member

ABSENT