HOLYOKE RETIREMENT BOARD
JUNE 20, 2018
MINUTES

The regular Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 8:30 A.M. Present were Michele Aubrey, Rory Casey, and Anthony Dulude. Also present was Executive Director, Cheryl Dugre, CIO Raymond Depelteau and Melissa Melendez.

I. Minutes of Board meeting held on May 23, 2018.

On separate motions made by Ms. Aubrey, seconded by Mr. Dulude, it was voted unanimously (4-0) to accept Item II “Minutes,” Item III “Bank Reconciliation,” Item IV “Statement of Financial Activities,” Item IV “Retirement Applications,” and Item V “Expenses.” Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, and Mr. McCarthy.

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

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

IV. Retirement Applications:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Superannuation</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diane Fabig</td>
<td>School Department</td>
<td>Superannuation</td>
<td>7/13/2018</td>
</tr>
<tr>
<td>Priscilla Rupper</td>
<td>School Department</td>
<td>Superannuation</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>Brian Chirgwin</td>
<td>Police Department</td>
<td>Superannuation</td>
<td>7/28/2018</td>
</tr>
<tr>
<td>James Neiswanger</td>
<td>Police Department</td>
<td>Superannuation</td>
<td>7/21/2018</td>
</tr>
<tr>
<td>Susan Sheehan</td>
<td>Auditor’s Office</td>
<td>Superannuation</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>James Boisvere</td>
<td>Public Works</td>
<td>Superannuation</td>
<td>6/23/2018</td>
</tr>
</tbody>
</table>

V. Expenses:

A. Bills .................................................. $3,550.78
3(8)c Reimbursements .................. 306,275.65
Office Payroll .......................... 25,432.74
Refunds and Transfers ................. 41,849.46
Professional Services ................ 10,250.00
Management Fees ........................ 10,340.00

B. Pension Payroll ....................... $1,797,405.95
Annuity Payroll .......................... 349,913.13
Total Payroll ................................ $2,147,319.08

VI. Issues-Request-Policy:

A. PERAC Memos and Correspondence:
Memo #18/2018 Vernava Follow Up: Compliance with PERAC Memos
B. Pension Appropriations: FY2018

<table>
<thead>
<tr>
<th>Total Due</th>
<th>Total Paid</th>
<th>Balance Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$12,007,137.00</td>
<td>$12,007,137.00</td>
</tr>
<tr>
<td>Gas &amp; Electric</td>
<td>3,780,352.00</td>
<td>3,780,352.00</td>
</tr>
<tr>
<td>Water</td>
<td>498,511.00</td>
<td>457,011.00</td>
</tr>
<tr>
<td>Housing</td>
<td>975,537.00</td>
<td>913,050.99</td>
</tr>
<tr>
<td>Waste Water</td>
<td>26,575.00</td>
<td>26,575.00</td>
</tr>
<tr>
<td>Total</td>
<td>$17,288,112.00</td>
<td>$17,184,125.99</td>
</tr>
</tbody>
</table>

Mr. Schmidt joined the meeting at 8:35 A.M.

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 ...................... 8:37 A.M.
EXECUTIVE SESSION adjourned ...... 8:54 A.M.

On a motion made by Ms. Aubrey, seconded by Mr. Dulude, the Board voted unanimously (5-0) to request clarification from the Medical Panel for Rolanda Rattelle. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

D. FY 2019 Budget:

The Board reviewed and accepted the FY 2019 Budget.

On a motion made by Ms. Aubrey, seconded by Mr. Casey, the Board voted unanimously (5-0) to promote Melissa Melendez to Assistant Executive Director at a salary of $52,000 effective July 1, 2018. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

On a motion made by Ms. Aubrey, seconded by Mr. Casey, the Board voted unanimously (5-0) to raise Celeste Fernandez’s salary to $33,000 effective July 1, 2018. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

E. Investments:

1. May Performance:

The Board reviewed the cashflow and performance worksheets through May. The portfolio has continued to have a modest lead over PRIT. Mr. Depelteau opined that in general the active managers are doing well and have contributed $2.8 million in added value over the indices. However, he said the trade war banter in recent days is not good for the market and June will be a volatile month.
2. **PERAC 2017 Investment Report:**
The Board reviewed the annual Investment Report and was pleased with the results. Holyoke's return rankings in the current (2017), 5 year and 10 year categories are superior to PRIT. Since inception, Holyoke's average annual return is 9.58%, versus 9.69% for PRIT.

3. **Large Cap Search:**
The Board interviewed 3 finalists for the Large Cap Growth mandate; the incumbent Charles Schwab (Laudus Fund), Mark Asset Management, and Loomis Sayles. The Board was very impressed with all three presentations and acknowledged what a difficult decision it was. Each of the managers had very good past performance records, strong management teams and strength and stability of their organizations. After much discussion and debate, on a motion made by Mr. Schmidt, seconded by Mr. Casey, the Board voted unanimously (5-0) to re-hire Schwab based on their strong record for the Holyoke Retirement System. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

The Board interviewed 5 finalists for the Large Cap Value mandate; incumbents Brandywine and Seizert, and The Boston Company, Aristotle, and Cooke and Bieler. The Board was impressed by all the presentations. There was much discussion about incumbent, Brandywine as they had struggled for a good part of the last 3 years. What made a decision to replace them more difficult was the fact that their recent performance had improved. In the end, the Board decided that it was "too little, too late." The other incumbent was Seizert and they have performed very well in this most difficult environment. The Board was in agreement to re-hire them for an additional 7 year period. The discussion then moved to what to do about replacing Brandywine. The Board rated Cooke and Bieler and Aristotle as the top contenders for a mandate. It was very hard separating one from the other.

After much deliberation, on a motion made by Mr. Dulude, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to re-hire Seizert, and to hire Aristotle and Cooke and Bieler. Additionally, the Board settled on splitting the total Large Cap Value mandate equally between Seizert, Aristotle and Cooke and Bieler. This will result in each managing approximately $8 million each. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

F. **July Meeting:**
The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Wednesday, July 25, 2018 at 9:00 A.M.

There being no further business, a motion to adjourn was made by Mr. Schmidt, seconded by Ms. Aubrey, passing unanimously (5-0) on a roll call vote. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

**MEETING .........................adjourned 3:55 P.M.**

**List of Documents Reviewed at 6/20/18 Meeting:**
Draft minutes of 5/23/18 meeting
Statement of Financial Activities as of May 2018
Cash Requirement Forecast
Appropriation FY2018 Worksheet
FY2019 Budget
Regarding Investments:
- May Worksheets and Cashflow
PERAC Investment Report analysis worksheets

Presentation Materials for:

a. Laudus Fund (Blackrock)
b. Mark Asset
c. Loomis Sayles
d. Seizert
e. Brandywine
f. Aristotle
g. Wells Fargo (Cooke & Bieler)
h. The Boston Company

Regarding Disabilities:

Medical Panel Certificate for Rolanda Rattelle

The Voice July 2018
PERAC Pension News May 2018

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