HOLYOKE RETIREMENT BOARD
APRIL 25, 2017
MINUTES

A special Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 11:00 A.M. Present were Daniel Owens and Bellamy Schmidt. Also present was Executive Director, Cheryl Dugre and Chief Investment Officer Raymond Depelteau.

The Board conducted an investment review of Constitution Capital Partners pursuant to 840 CMR 16.07. Dan Cahill, Peter Melanson, Dan Clare and Steve Shekane presented performance and investment reports detailing the manager's activities which the Board reviewed.

The Board reviewed and compared the performance with the retirement system's investment goals and policies, insuring that comprehensive written quarterly reports were filed with the Board and with PERAC, and that these reports included a review of investment performance and relative performance, a review of the System's investments, and a report on the investment manager's current investment outlook or forecast as well as strategy for the future, and key personnel staffing changes.

The Board determined that Constitution Capital Partners continues to operate in the manner represented when retained and outlined in the agreement between the Board and the manager.

There being no further business, a motion to adjourn was made by Mr. Schmidt, seconded by Mr. Owens, passing unanimously (3-0).

MEETING .......................adjourned 11:54 A.M.

Respectfully submitted,

Cheryl A. Dugre
Executive Director

ATTESTED TO: John T. McCarthy (Chairman)

[Signature]
Elected Member

[Signature]
Michele Aubrey
Appointed Fifth Member

[Signature]
Daniel R. Owens
Elected Member

[Signature]
Joshua Pueschel
Ex-Officio Member

[Signature]
Bellamy H. Schmidt
Appointed Member
HOLYOKE RETIREMENT BOARD
MAY 25, 2017
MINUTES

The regular Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 9:02 A.M. Present were Michele Aubrey, Daniel Owens, Joshua Pueschel, and Bellamy Schmidt. Also present was Executive Director, Cheryl Dugre and CIO Raymond Depelteau.

I. Investments:
   A. International Search:
      As a prelude to the discussion of the RFP results, Mr. Depelteau reminded the Board that when making changes to the portfolio you need to be right twice for the changes to be beneficial. The Board reviewed the analysis of the RFP responses provided by Mr. Depelteau. Thirty six responses were received with several firms submitting multiple products; 27 large cap, 8 small cap and 1 SMID. Incumbent RBC has performed extremely well since inception, outperforming the EAFE Index net of fees over the 1-year, 3-year, 5-year and 10-year periods and is ranked in the top 10% of their peer universe. Incumbents, Wasatch and Oberweis, have had volatile return patterns and although their long term performance has been good, underperformance in 2014 and 2016 have resulted in a 5 year performance number that has been overtaken by their peers. The Board discussed the possibility of adding another manager in the large cap space to provide additional diversification and reduce manager specific risk.

      On a motion made by Mr. Owens, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to invite Large Cap Managers, RBC and Acadian to make presentations to the Board.

      On a motion made by Mr. Owens, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to invite Small Cap Managers, Oberweis, Wasatch and Algert to make presentations to the Board.

      The presentations will be made on Wednesday, June 21, 2017 starting at 9:00 A.M.

   B. Tactical Decision:
      The Board reviewed the results of the tactical moves made in November which anticipated the economic benefits of President Trump succeeding with his agenda. Though the moves resulted in $200,000 of net added value, Mr. Depelteau opined that it might be the time to rewind these positions. He said tax reform and trade legislation may take longer than originally estimated and that reversing course would reduce the portfolio’s overall risk profile. Since these tactical positions were not viewed to be permanent when they were implemented and there is so much uncertainty around the Trump agenda, it seems the prudent thing to do is return to the more strategic portfolio positioning. Mr. Depelteau also expressed concern that the Fixed Income portfolio is under its stated allocation target and since inflation hasn’t materialized as was expected we should move to a more normal weighting. Taking the aforementioned into account, Mr. Depelteau suggested the following:

      1. Redeem $4 million from SSgA Small Cap Index - the funds would be distributed $2 million each to International Small and International Large at the completion of the search.
      2. Redeem $2 million from SSgA Mid Cap Index - the funds would be distributed equally between emerging market funds, Lazard and Aberdeen, upon PERAC approval.
      3. Redeem $2 million from the Boston Company Mid Cap Fund to fund the new Emerging Markets Small Cap asset class.
4. Redeem $2 million from Brandywine Global Large Cap Value Fund and $3 million from SSGa Large Cap Index to be distributed to Laudus to reverse the overweight to Large Cap Value.

5. Contribute $3 million to Putnam Core Fixed Income Fund to get closer to our fund targets.

On a motion made by Mr. Owens, seconded by Mr. Schmidt, the Board voted unanimously (5-0) to implement Mr. Depelteau’s suggestions.

C. April Performance:
The Board reviewed performance and cashflow worksheets. Year-to-date through April the Fund is up 5.26%, however trails PRIT by 92 basis points. Mr. Depelteau said that this is typical for the fund in in recent years but we have been able to recover and finish ahead of PRIT in most years.

Mr. Depelteau exited the meeting at 9:43.

II. Minutes: of Board meeting held on March 29, 2017.

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

III. Bank Reconciliations:
Peoples Checking account - as of April 30, 2017
Peoples Payroll account - as of April 30, 2017

IV. Statement of Financial Activities:
The Board reviewed statements for April 2017.

V. Retirement Applications:
Michael Lenihan   Gas & Electric   Superannuation   04/29/17
Angel Martinez   School Department   Superannuation   06/06/17
Michael Costello   Gas & Electric   Superannuation   05/27/17
Maria Marquez   School Department   Superannuation   05/20/17
Linda Caldwell   Public Works   Superannuation   07/15/17

VI Expenses:
A. Bills..............................................$1,414.91
Refunds.................................38,578.92
Transfers.................................73,299.66
Management Fees......................84,625.07
3(8)c Reimbursement..................66,887.94
Office Payroll.......................22,620.87
Service Contracts....................565.62

B. Pension Payroll....................$1,766,943.43
Annuity Payroll......................328,681.15
Total Payroll.....................$2,095,624.58
VII. Issues-Request-Policy:

A. PERAC Memos and Correspondence:
The Board is in receipt of PERAC’s response to Pioneer Institutes report titled The Bay State’s Public Pension Complex: Costly and Unaccountable.

The Board is in receipt of PERAC’s letter to Atty. Thomas Gibson’s inquiry regarding interest payments to contributions taken in error.

B. Pension Appropriations:
FY2017

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<th>City</th>
<th>$12,106,585.00</th>
<th>$12,106,585.00</th>
<th>$0.00</th>
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</thead>
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<tr>
<td>Gas &amp; Electric</td>
<td>3,641,978.00</td>
<td>3,338,479.87</td>
<td>303,498.13</td>
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<tr>
<td>Water</td>
<td>514,926.00</td>
<td>429,126.00</td>
<td>429,126.00</td>
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<tr>
<td>Housing</td>
<td>996,372.00</td>
<td>830,310.00</td>
<td>166,062.00</td>
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<td>Waste Water</td>
<td>28,251.00</td>
<td>0.00</td>
<td>28,251.00</td>
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<td><strong>Total</strong></td>
<td><strong>$17,288,112.00</strong></td>
<td><strong>$16,732,751.87</strong></td>
<td><strong>$555,360.13</strong></td>
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</table>

C. New Business:

1. Public Funds East Conference - July 24-26, Newport RI.

Although this conference was approved in February, the vote never appeared in the minutes.

On a motion made by Mr. Owens, seconded by Mr. McCarthy, the Board voted unanimously (5-0) to allow Trustees to attend this conference. Voting “yes” were Ms. Aubrey, Mr. McCarthy, Mr. Owens, Mr. Pueschel and Mr. Schmidt.

2. Melanson Heath 2015 Audit Report:

On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to receive and accept the 2015 audit. Voting “yes” were Ms. Aubrey, Mr. McCarthy, Mr. Owens, Mr. Pueschel, and Mr. Schmidt.

3. PTG Scanning Option:

Ms. Dugre informed the Board that PTG is pitching a scanning add-on to the retirement software which would allow the staff to scan active and retiree files to an indexed data base. Though this will be necessary in the near future, as storage space is limited, the Board instructed Ms. Dugre to investigate other options for comparison.

4. Staff:

Salaries:

On a motion made by Mr. Schmidt, seconded by Mr. Owens, the Board voted unanimously (5-0) to increase Mr. Depelteau’s salary by $10,000 effective January 1, 2017. Voting “yes” were Ms. Aubrey, Mr. McCarthy, Mr. Owens, Mr. Pueschel and Mr. Schmidt.

On a motion made by Mr. Schmidt, seconded by Mr. Owens, the Board voted unanimously (5-0) to increase Ms. Dugre’s salary by 3%, effective July 1, 2017. Voting “yes” were Ms. Aubrey, Mr. McCarthy, Mr. Owens, Mr. Pueschel and Mr. Schmidt.

Part-time Help:

Ms. Dugre requested permission to hire a part-time, non-retirement eligible employee to help with office coverage and special projects.
D. Old Business:
1. Election Update:
   Mr. Owens has rescinded his nomination papers and will not run for re-election. Ms. Dugre informed the Board that the following have been nominated to the ballot:
   
   Anthony Dulude, City Assessor  
   Joseph Beaulieu, Retired Fire Captain  
   Patrick Leahy, Police Sergeant  
   
   Ballots will be mailed out to retirees in early June. The election will take place in the City Council Chambers on Friday, June 30, 2017.

2. COLA:
   Retired Firefighter Henry Dziok attended the meeting and asked to address the Board regarding the COLA issue. On a motion by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to allow Mr. Dziok permission to speak.

   Mr. Dziok requested that the Board increase the COLA base from $12,000 to at least $13,000 as other municipalities have done.

   Mr. McCarthy made a motion to raise the COLA base from $12,000 to $13,000. There was no second to the motion.

   On a motion made by Ms. Aubrey, seconded by Mr. Pueschel, the Board voted unanimously (5-0) to have the COLA base remain at $12,000. Voting “yes” were Ms. Aubrey, Mr. McCarthy, Mr. Owens, Mr. Pueschel and Mr. Schmidt.

3. Bonus Check:
   Ms. Dugre reported on the meeting with State Rep. Aaron Vega to discuss giving the retirees some relief other than a COLA. Mr. Vega was very supportive of the idea and was willing to work with Atty. Gibson to construct language for special legislation.

E. Disability Update:
   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. McCarthy, Mr. Owens, Mr. Pueschel and Mr. Schmidt.

   EXECUTIVE SESSION ..................... 10:20 A.M.  
   EXECUTIVE SESSION adjourned ...... 10:40 A.M

On a motion made by Mr. Owens, seconded by Mr. Schmidt, the Board voted unanimously (5-0) to petition PERAC to convene a medical panel for Rolanda Rattelle. Voting “yes” were Ms. Aubrey, Mr. McCarthy, Mr. Owens, Mr. Pueschel and Mr. Schmidt.
Retired Fire Captain, Joseph Beaulieu stopped in to introduce himself to the Trustees as a candidate for the Board.

F. **MA Directors and Administrators Conference:**
Hosted in Martha's Vineyard by the Dukes County Retirement System from May 16-17, 2017, the conference was all about creating a cohesive group for continued growth and professional betterment for retirement administrators and directors.

Despite the difference in size of the systems, we all follow Chapter 32 and have to deal with PERAC and local legislators. The exchange of ideas on a variety of topics was truly beneficial.

Among the issues discussed were:

- Municipal relationships
- Deduction imports and reports
- Board regulations
- PTG
- RFPs
- Audit findings
- Keeping up with Chapter 32 changes
- QDROs
- 3(8)c billing

Going forward, the group would like to continue to meet on a regular basis, perhaps splitting into subgroups determined by geography and size.

G. **June Meeting:**
The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Tuesday, June 20, 2017 at 10:00 A.M.

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

MEETING ......................adjourned 10:50 A.M.

Respectfully submitted,

[Signature]
Cheryl A. Dugre
Executive Director

ATTESTED TO:

[Signature]
John T. McCarthy (Chairman)
Elected Member

[Signature]
Michele Aubrey
Appointed Fifth Member

[Signature]
Daniel R. Owens
Elected Member
Joshua Pueschel
Ex-Officio Member

Bellamy H. Schmidt
Appointed Member
HOLYOKE RETIREMENT BOARD
JUNE 20, 2017
MINUTES

The regular Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 10:00 A.M. Present were Michele Aubrey, Daniel Owens, Joshua Pueschel and Bellamy Schmidt. Also present was Executive Director, Cheryl Dugre and CIO, Raymond Depelteau.

I. Minutes of Board meeting held on May 25, 2017.

On separate motions made by Mr. Schmidt, 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. McCarthy, Mr. Pueschel and Mr. Schmidt.

II. Bank Reconciliation:

Peoples Checking account - as of May 31, 2017
Peoples Payroll account - as of May 31, 2017

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

IV. Retirement Applications:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Date</th>
<th>ADR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sean Adamson</td>
<td>Fire Department</td>
<td>5/26/2017</td>
<td>ADR</td>
</tr>
<tr>
<td>Elizabeth Cournoyer</td>
<td>School Department</td>
<td>6/27/2017</td>
<td>Superannuation</td>
</tr>
</tbody>
</table>

V. Expenses:

A. Bills: $7,624.14
   Refunds: $2,563.95
   Transfers: $63,188.43
   Office Payroll: $26,430.02
   Service Contracts: $565.62

B. Pension Payroll: $1,781,416.68
   Annuity Payroll: $333,610.48
   Total Payroll: $2,115,027.16

VI. Issues-Request-Policy:

A. PERAC Memos and Correspondence:
   Memo #18/2017 Tobacco Company List
   Memo #19/2017 PROSPER System Changes

B. Pension Appropriations:
   FY2017
   City: $12,106,585.00
   Gas & Electric: 3,641,978.00
   Water: 514,926.00
   Housing: 996,372.00
   Waste Water: 28,251.00
   Total: $17,288,112.00

   $12,106,585.00
   $3,338,479.87
   472,026.00
   996,372.00
   28,251.00
   $16,941,713.87

   $346,398.13

   $0.00
   303,498.13
   42,900.00
   0.00
   0.00