HOLYOKE RETIREMENT BOARD
FEBRUARY 21, 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, Anthony Dulude, and Bellamy Schmidt. Also present was Executive Director, Cheryl Dugre.

Ms. Dugre informed the Board that Joshua Pueschel had resigned. Mr. Schmidt has been appointed as the Acting Auditor and therefore the Ex-Officio member of the Board. Rory Casey has been appointed to fill in for Mr. Schmidt as Mayor’s appointment.

I. Minutes of Board meetings held on January 24 and 30, 2018.

On separate motions made by Mr. Schmidt, seconded by Mr. Dulude, it was voted unanimously (5-0) 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, Mr. McCarthy, and Mr. Schmidt.

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

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

IV. Retirement Applications:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Superannuation</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenn Desjeans</td>
<td>Water Department</td>
<td>Superannuation</td>
<td>3/1/2018</td>
</tr>
<tr>
<td>James Whelihan</td>
<td>Police Department</td>
<td>Superannuation</td>
<td>2/24/2018</td>
</tr>
<tr>
<td>Karen Kibit-Lajoie</td>
<td>Housing Authority</td>
<td>Superannuation</td>
<td>3/10/2018</td>
</tr>
<tr>
<td>Gail Bergeron</td>
<td>School Department</td>
<td>Superannuation</td>
<td>3/21/2018</td>
</tr>
</tbody>
</table>

On a motion made by Mr. Casey, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to award 12(2)d benefits to Richard Jensen, surviving spouse of Housing Authority Employee, Anne-Marie Darcy, who died on 1/28/2018. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

V. Expenses:
A. Bills ...........................................$ 3,981.52
   3(8)c Reimbursements ...................... 208,607.93
   Office Payroll ............................ 24,656.45
   Refunds and Transfers .................... 204,330.32
   Fiduciary Insurance ...................... 17,370.00
   Management Fees .......................... 131,387.05

B. Pension Payroll ......................... $1,811,475.57
   Annuity Payroll .......................... 355,315.30
   Total Payroll ............................ $2,166,790.87
VI. Issues-Request-Policy:
A. PERAC Memos and Correspondence:
   Memo #8/2018 840 CMR 10:10(3) & 10:15(4) – Annual Review of Med. Testing Fee
   Memo #9/2018 Actuarial Data
   Memo #10/2018 2018 Interest Rate set at 0.1%
   Memo #11/2018 Investment Related Issues and Concerns
   Memo #12/2018 PERAC vs. CRAB & Others, SJC No. 12331 February 13, 2018

B. Pension Appropriations: FY2018:

<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>$12,007,137.00</td>
<td>$8,004,758.00</td>
<td>$4,002,379.00</td>
</tr>
<tr>
<td>Gas &amp; Electric</td>
<td>3,780,352.00</td>
<td>2,520,234.60</td>
<td>1,260,117.40</td>
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<tr>
<td>Water</td>
<td>498,511.00</td>
<td>291,011.00</td>
<td>207,500.00</td>
</tr>
<tr>
<td>Housing</td>
<td>975,537.00</td>
<td>569,063.25</td>
<td>406,473.75</td>
</tr>
<tr>
<td>Waste Water</td>
<td>26,575.00</td>
<td>26,575.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>$17,288,112.00</td>
<td>$11,411,641.85</td>
<td>$5,876,470.15</td>
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</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 .................. 8:38 A.M.
EXECUTIVE SESSION adjourned ...... 8:42 A.M.

On a motion made by Mr. Schmidt, seconded by Mr. Casey, the Board voted unanimously (5-0) to request PERAC to convene medical panels for Firefighter John Tobin and Firefighter Hector Rodriguez, based on the medical evidence provided in the Accidental Disability Applications. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

D. SFI:
Ms. Dugre reminded the Board that their Statement of Financial Interest forms were due by May 1, 2018.

E. 13th/Bonus Check:
The Board revisited the “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. Before any action can be taken by the legislature, the Board must establish criteria and parameters. The Board discussed the percentage the portfolio would have to earn above the assumed actuarial return. Other considerations included the number of years it would have to achieve this performance in order to initiate a bonus check, and whether or not it should be tied to creditable service. The Board will continue to discuss this.

Mr. Ray Depelteau entered the meeting at 8:50 A.M.
F. Investments:

1. Performance:
Final numbers for December 2017 are still not available for Private Equity and a few Real Estate funds. The Board reviewed the January 2018 performance and cashflow worksheets. The portfolio was up about 4% for January, but Mr. Depelteau opined that February’s market correction will change that. He said that a market correction is generally healthy, however, he said a source of concern is that trading by machines could get out of hand for no economic reason.

2. PRIT vs. Holyoke:
The Board reviewed an updated PRIT vs. Holyoke worksheet highlighting the annualized return in the last 9 years in comparison with PRIT. Holyoke has received $60 million additional assets by not investing with PRIT.

3. Consultant Services Discussion:
Mr. Depelteau and the Board discussed the intentionally aggressive portfolio positioning as a result of the 2008 financial crisis. Though it has paid off tremendously, Mr. Depelteau opined that it may be prudent to consider less aggressive strategies in an effort to protect what has already been accomplished. The Board has invited Nu Paradigm (a consulting firm) in for an informational meeting to discuss strategies that might help safeguard the portfolio. The Board acknowledged that if it wanted to move in that direction, an RFP would have to be issued and a formal search process conducted.

4. Disclosures:
The Board is in receipt and reviewed the Vendor Disclosures of the following Managers and/or Consultants:

- OFI
- Long Wharf, Funds III, IV, and V
- Seizert Capital Partners
- Intercontinental Real Estate
- RBC Global
- Invesco
- American Realty
- Segal Marco Advisors

G. March Meeting:
The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Wednesday, March 21, 2018 at 8:30 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 9:35 A.M.

List of Documents Reviewed at 2/21/18 Meeting:
Draft minutes of 1/24/18 and 1/30/18 meetings
Statement of Financial Activities as of January 2018
Cash Requirement Forecast
Appropriation FY2018 Worksheet
Regarding Investments:
- December and January Worksheets and Cashflow
- Consultant Services Outline
- PRIT vs. Holyoke worksheet

PERAC Memos #8-12/2018
SFI Instructions
Regarding Disabilities:
- Physician Statement for John Tobin
- Involuntary ADR Application for Hector Rodriguez

*The Voice* March 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