HOLYOKE RETIREMENT BOARD
MAY 23, 2018
MINUTES

The regular Meeting of the Holyoke Retirement Board was called to order by Chairman John McCarthy at 9:00 A.M. Present were Michele Aubrey, Rory Casey, Anthony Dulude, and Bellamy Schmidt. Also present was Executive Director, Cheryl Dugre and Melissa Melendez.

I. Minutes of Board meetings held on April 18 and 19, 2018.

On separate motions made by Mr. Schmidt, seconded by Mr. Casey, 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 April 30, 2018
Peoples Payroll account - as of April 30, 2018

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

IV. Retirement Applications:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Superannuation</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timothy Judd</td>
<td>Gas &amp; Electric</td>
<td>Superannuation</td>
<td>6/17/2018</td>
</tr>
<tr>
<td>Karen Robidoux</td>
<td>School Department</td>
<td>Superannuation</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>Maureen Cepiel</td>
<td>School Department</td>
<td>Superannuation</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>Kathleen Greaney</td>
<td>School Department</td>
<td>Superannuation</td>
<td>6/22/2018</td>
</tr>
</tbody>
</table>

On a motion made by Mr. Schmidt, seconded by Mr. Casey, the Board voted unanimously (5-0) to award 12(2)d & 12B benefits to Nancy Folk, FBO Hannah Folk, surviving child of School Department Employee, Susan Folk who died on 2/16/2018. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

V. Expenses:
A. Bills .................................. $19,055.56
   3(8)c Reimbursements .................. 45,382.30
   Office Payroll ........................ 25,502.82
   Refunds and Transfers .................. 122,121.61
   Professional Services ................. 10,250.00
   Management Fees ........................ 174,896.43

   B. Pension Payroll ...................... $1,803,095.02
      Annuity Payroll ....................... 350,662.52
      Total Payroll ........................ $2,153,757.54

VI. Issues-Request-Policy:
A. PERAC Memos and Correspondence:
   None submitted
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>10,005,947.50</td>
</tr>
<tr>
<td>Gas &amp; Electric</td>
<td>3,780,352.00</td>
<td>3,465,322.67</td>
</tr>
<tr>
<td>Water</td>
<td>498,511.00</td>
<td>415,511.00</td>
</tr>
<tr>
<td>Housing</td>
<td>975,537.00</td>
<td>831,756.24</td>
</tr>
<tr>
<td>Waste Water</td>
<td>26,575.00</td>
<td>26,575.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,288,112.00</strong></td>
<td><strong>14,745,112.41</strong></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 ..................... 9:08 A.M.**
**EXECUTIVE SESSION adjourned .......... 9:16 A.M.**

On a motion made by Ms. Aubrey, seconded by Mr. Schmidt, the Board voted unanimously (5-0) to request PERAC to convene a medical panel for Firefighter Jesuan Quinonez, based on the medical opinion provided in the Involuntary Accidental Disability Application. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

On a motion made by Mr. Schmidt, seconded by Mr. Casey, the Board voted unanimously (5-0) to award Firefighter Hector Rodriguez an Accidental Disability Retirement, based on medical evidence provided in the Medical Panel Certificate. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

D. **Supplemental Regulation - Correction of Errors:**
The Board reviewed a supplemental regulation regarding the correction of errors under G.L. c. 32, 20(5)(c)(2) which would set a “correction of errors” interest rate as the rate annually determined by PERAC pursuant to G.L.c.32, s. 22(6).

On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (5-0) to accept the supplemental regulation and forward it to PERAC. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

E. **FY 2019 Preliminary Budget:**
The Board tabled accepting the Budget until the next meeting.

Mr. Ray Depelteau entered the meeting at 9:27 A.M.

F. **Investments:**
1. **Large Cap Search:**
The Board received 60 requests for the RFP and 49 responses (29 growth and 20 value). Incumbents are: Laudus Fund (sub-advised by Blackrock) in growth, Seizer and Brandywine in value. The Board reviewed the worksheets highlighting the results of the search. Based on
the evaluation criteria, 5 firms were ranked “highly advantageous” in growth and 11 for value.

On a motion made by Mr. Schmidt, seconded by Mr. Casey, the following managers, in addition to the incumbents, were invited in for interviews on June 20th:

**Growth:** Mark Asset Management and Loomis Sayles

**Value:** Aristotle Capital Management, The Boston Company and Wells Fargo (sub-advised by Cooke & Bieler)

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

2. **April Performance:**
   The Board reviewed the cashflow and performance worksheets through April. The portfolio has a modest lead over PRIT. Mr. Depelteau said that May has been a good month for equities and that there is a good possibility of picking up additional gains.

3. **Excess Cash:**
   Mr. Depelteau told the Board there is $6 million excess cash in the checking account and suggested that it should be deployed. He said that emerging markets as an asset class and LMCG as a firm has been performing very well. Also discussed was Real Estate. Distributions are coming from several of our funds as they wind down, lowering our total exposure to the asset class. Mr. Depelteau proposed the following:

   - $3 million to LMCG.
   - $3 million to PRIT Real Estate Sleeve.

On a motion made by Ms. Aubrey, seconded by Mr. Schmidt, the Board voted unanimously (5-0) to accept Mr. Depelteau’s suggestion to allocate $3 million to LMCG and $3 million to PRIT Real Estate. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. Dulude, Mr. McCarthy, and Mr. Schmidt.

G. **NCPERs:**
   Taking place in New York City from May 13-16, 2018, the conference provided networking opportunities, educational enrichment and investment overviews. The pertinent sessions/workshops in which the delegates participated were:

   ▶ Optimizing performance using benchmarking
   ▶ Securities Litigation legal panel
   ▶ Actuarial topics/trends in 2018
   ▶ Real Estate strategies
   ▶ Populism and Public Policy

The conference provided professional development and strategies that will benefit the system and its participants over time. Representing the Holyoke Retirement Board were Executive Director Cheryl Dugre, and Trustees Michele Aubrey, Anthony Dulude and John McCarthy.

H. **June Meeting:**
   The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Wednesday, June 20, 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 ........................adjoined 10:18 A.M.

List of Documents Reviewed at 5/23/18 Meeting:
Draft minutes of 4/18/18 and 4/19/18 meetings
Statement of Financial Activities as of April 2018
Cash Requirement Forecast
Appropriation FY2018 Worksheet
Supplemental Regulation for Correction of Errors
Preliminary FY2019 Budget
NCPERs write-up
Regarding Investments:
  • April Worksheets and Cashflow
  • Large Cap Equity RFP analysis and worksheets
Regarding Disabilities:
  • NEOS letter regarding James Wilson
  • Involuntary ADR Application for Jesuan Quinonez
  • Medical Panel Certificate for Hector Rodriguez

The Voice 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