HOLYOKE RETIREMENT BOARD
OCTOBER 19, 2016
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 and Bellamy Schmidt. Daniel Owens was absent. Also present was Executive Director, Cheryl Dugre and Raymond Depelteau.

I. Minutes of Board meeting held on September 20, 2016.

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. Casey, Mr. McCarthy, and Mr. Schmidt.

II. Bank Reconciliation:
Peoples Checking account - as of September 30, 2016
Peoples Payroll account - as of September 30, 2016

III. Statement of Financial Activities:
The Board reviewed statements for September 2016.

IV. Retirement Applications:
Jorge Castellano School Department October 15, 2016
Edward Lawler Public Works October 22, 2016
Angel Perez Public Works October 29/2016

V. Expenses:
A. Bills.................................................. $ 3,590.98
   Refunds.......................................... 78,104.50
   Transfers ..................................... 23,904.32
   Management Fees............................. 23,132.35
   Consultant Fees............................... 5,000.00
   Legal Expense................................. 5,681.25
   Office Payroll................................. 24,407.43
   Service Contracts............................ 554.51

B. Pension Payroll.............................. $1,721,952.92
   Annuity Payroll.............................. 308,890.13
   Total Payroll................................ $2,030,843.05

VI. Issues-Request-Policy:
A. PERAC Memos and Correspondence:
   #24/2016 Mandatory Retirement Board Member Training – 4th Quarter 2016
   #25/2016 Other Post-Employment Benefits (OPEB) Summary
   #26/2016 Appropriation Data Due October 31, 2016

B. Pension Appropriations:
   FY2017
   City............................................ $12,106,585.00 $ 3,026,647.00 $ 9,079,938.00
   Gas & Electric............................... 3,641,978.00 910,494.51 2,731,483.49
The Board reviewed and discussed at length the 5 appropriation scenarios provided by Segal for the 1/1/2016 Actuarial Valuation. Buoyed by an $18 million actuarial gain, the Board was able to reduce the assumed rate of return to 7.625%, adopt a new generational mortality table, and maintain the annual appropriation at the same level until FY2020, all while keeping the length of the funding schedule static.

On a motion made by Mr. Casey, seconded by Mr. Schmidt, the Board voted unanimously (4-0) to adopt Schedule 4(a). Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, and Mr. Schmidt.

C. Disabilities:
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. Casey, Mr. McCarthy, and Mr. Schmidt.

**EXECUTIVE SESSION ..................** 9:50 A.M.
**EXECUTIVE SESSION adjourned ......** 10:04 A.M.

On a motion made by Ms. Aubrey, seconded by Mr. Schmidt, the Board voted unanimously (4-0) to forward to PERAC the transmittal to award Section 9 benefits to Frances Bach, surviving spouse of George Bach. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, and Mr. Schmidt.

On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (4-0) to approve an Accidental Disability Retirement for Tomas Colon, based on the medical evidence provided. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, and Mr. Schmidt.

D. Buyback:
On a motion made by Ms. Aubrey, seconded by Mr. Schmidt, the Board voted unanimously (4-0) to deny liability for the following requests for buybacks. All 3 petitioners were employed by the Holyoke Public Schools as either tutors or sub teachers. Those positions are ineligible for membership in the Retirement System.

Tricia Roy – Hampshire County Retirement Board  
Jeffrey Donais – West Springfield Retirement Board  
Nello Rota – Mass Teachers Retirement Board

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

E. Air Quality:
Ms. LeCours provided the Board with recommendations from several area communities that have hired Mr. Walt Baenzinger of Home Environmental Services. All polled had good things to say about Mr. Baenzinger.
On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (4-0) to hire Mr. Baezinger to perform an analysis of the Retirement Board offices. Voting "yes" were Ms. Aubrey, Mr. Casey, Mr. McCarthy, and Mr. Schmidt.

F. MACRS Conference:
The Semi-Annual Meeting and Conference of the Massachusetts Association of Contributory Retirement Systems was held in Springfield, MA on October 3-5, 2016.

This year's keynote speaker was financial educator and author, Dee Lee. Global Governance Advisors provided trustees with information about the fundamental fiduciary duties and ways to strengthen governance. The Administrators Forum tackled common tasks that Boards perform differently.

As in the past, the Legislative Panel and PERAC's update were informative.

The following 6 CEU credits were available to Board Members:

- Legal Panel (3)
- PERAC CEU Training, consisting of Audit Topics and a preview of PERAC's new PROSPER program. PROSPER will allow portals for both staff and Board members and provide streamlining in areas of approvals, compliance, correspondence and the disability process. (3)

Representing the Holyoke Retirement Board were Executive Director Cheryl Dugre, Erica LeCours, Melissa Melendez, and Trustees Michele Aubrey, Jack McCarthy, Bellamy Schmidt and Dan Owens.

G. Investments:
1. **Index Manager Search:**
   Mr. Depelteau informed the Board that Rhumbline had tweaked their fee proposal. SSgA has also provided a fee proposal for High Yield Bond Index. The Board discussed the merits of each manager. Only SSgA is able to provide all the requested index funds. Additionally, by offering a relationship fee with a $25,000 minimum this fee is significantly less than having to pay a minimum of $5,000 per fund. Rhumbline and Comerica have some attractive fees per fund but the $5,000 minimum per fund makes them less attractive. The fact that they cannot offer all of the indices requested reduces our tactical ability to move money between funds.

   On a motion made by Mr. Schmidt, seconded by Ms. Aubrey, the Board voted unanimously (4-0) to renew SSgA’s investment contract for Passive Index Services. Voting “yes” were Ms. Aubrey, Mr. Casey, Mr. McCarthy, and Mr. Schmidt.

2. **September Performance and Cash Flow:**
   The Board reviewed the September worksheets. Year-to-date, the gap between PRIT and Holyoke is closing. Mr. Depelteau opined that our active managers in general are performing better.

3. **2017 Search Schedule:**
   The Board reviewed a worksheet laying out the searches needing to be done in 2017.
H. GovInvest:
The Board participated in a demonstration of actuarial software presented by GovInvest. The software would provide the Board with a method of tweaking actuarial assumptions, cost and liability projections. More information will be provided at the next meeting.

I. November Meeting:
The next regularly scheduled meeting of the Holyoke Retirement Board will be held on Tuesday November 22, 2016 at 9:00 A.M.

There being no further business, a motion to adjourn was made by Mr. Schmidt, seconded by Mr. McCarthy, passing unanimously (4-0).

MEETING ..................adjourned 10:45 A.M.

Respectfully submitted,

Cheryl A. Dugue
Executive Director

ATTESTED TO:

John T. McCarthy (Chairman)

Michele Aubrey

Daniel R. Owens

Bellamy H. Schmidt

Rory Casey