

HAVERHILL RETIREMENT BOARD

Tuesday, January 16, 2018 9:00AM

Haverhill City Hall, Room 303

The meeting was called to order at: 9:10AM.

In attendance: Board Members: William Klueber, Charles Benevento, James Cleary, Richard MacDonald, David Van Dam and Gus Aristizabal (Wainwright).

Remote participation by phone due to travel: Lewis Poore.

A motion was made by MacDonald to allow remote participation for Poore, seconded by Benevento.

Vote- 4 yes, 1- abstain

New Member Enrollments

Acknowledge new member enrollments:

School: Hunter Tuck, Mary Emilio, Lisa Hunt and Katrina Sullivan, Heather Forgione, Valerie Hobbs and Dena Noury. **Whittier:** Sarah Scavaglieri. **Wastewater:** Daniel Tomasz. **City Council:** Timothy Jordan.

A motion was made by Benevento to accept new member enrollments listed above, seconded by MacDonald.

Vote- 5 yes

Buybacks/Makeups

School: Stephanie Viola, 6 months (11/27/15-06/23/17), Noon Supervisor and Jennifer Mahoney, 3 years and 6 months (12/16/11-03/04/17), Café Helper, Jeremy Fuller (1/1/13-12/31/2016) Call Firefighter.

A motion was made by MacDonald to accept the buybacks/Makeups listed above, seconded by Poore.

Vote- 5 yes

Refunds

- **School:** Lucas Parsons, Mandy Macomber and Christine Frye; **Library:** Molly Pevna; **Water Maintenance:** Stephen Petrosino.

A motion was made by Benevento to approve the refunds listed above, seconded by Cleary.

Vote- 5 yes

Transfers

- **Whittier Vo-Tec:** Marcia Curtis (MTRS), **School:** Carla McCormack (Newburyport).

A motion was made by Cleary to accept the transfers above, seconded by Benevento.

Vote- 5 yes

Retirements/Disabilities/Survivor Benefits

Retirement Board Staff have verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefits:

- Acknowledge superannuations: **School:** Kathleen Hoffman (11/23/17; 10.1667 yrs.), Jeffrey Hoffman (12/30/17; 20 yrs.) and Kathleen Arivella (12/30/17; 22.333 yrs.) **Highway:** Frank Garwich (2/1/2018; 32.6667 yrs.) **Police:** Victor Pellot (1/26/18; 27.6667 yrs.)

A motion was made by Poore to accept the superannuations except for Victor Pellot, seconded by MacDonald.

Vote- 5 yes

A motion was made by MacDonald to schedule a hearing to hear Victor Pellot regarding his request for a superannuation on Tuesday, February 13, 2018 at 9AM in Room 301 at Haverhill City Hall, 4 Summer Street, Haverhill, MA 01830, seconded by Poore.

Vote- 5 yes

- Involuntary Accidental Disability: **Fire:** Scott Batchelder

A motion was made by Benevento to accept the involuntary accidental disability request above, seconded by Poore.

Vote- 5 yes

- §12(2)(d) **School:** Kevin McAninch (Kathleen McAninch)

A motion was made by Benevento to accept the §12(2)(d) request above, seconded by MacDonald.

Vote- 5 yes

Board Appointed Member

Jay Cleary reappointment- (02/13/18)- 3 year term

A motion was made by Benevento to reappoint Jay Cleary to a 3 year term as the fifth member of the board, seconded by MacDonald.

Vote- 4 yes, 1 abstain

Investment Consultant Review & Update

- Overview of Markets and Performance Report.
- RhumbLine: Personnel Update.
- Molpus Acquisition- Alexander Plantation.

1. The Board had no manager updates.

2. Gus gave the Board an update on the financial markets through January 2/2018. Equities, as measured by the S&P 500 index, have performed well over the last year and are up 22.85% while fixed income was up 3.24% (as measured by the Barclays Aggregate Bond index). Gus provided an update on tax reform and the potential positive impact on U.S. GDP and equities. On a cautionary note, Gus discussed the high valuations in the equity markets and the potentially contractionary effect of monetary policy as the US Central Bank is in the process of shrinking its balance sheet and increasing the fed funds rate.
3. Gus provided an update on the portfolio and told the Board that through November 30, 2017, the total portfolio was up 13.60% gross of fees and 13.42% net of fees. This compares to a return of 15.58% for the PRIT Fund for the same period. Gus noted the performance of several managers in his review that were performing well. Gus gave the Board updates on Fisher Investments Small Value, which has performed well relative to its index, and Putnam Investments Small Growth portfolio, which has performed positively relative to the Russell 2000 Growth index over three month periods ending December 31, 2107, though returns over the longer period, including since inception performance, have lagged the index. Gus also discussed recent communications with Wolf Popper and suggested that David communicate with Tony Teberio at People's Bank to discuss if they are filling on recent settlements on behalf of the system
4. The Board reviewed the rebalancing report and made the following decision:
 - Take out \$ 6M from cash (appropriation) and allocate the money to IR&M.
5. Gus presented the Board with a fee analysis for 2015 and 2016. Gus indicated that the data for 2014 was not available given that PERAC's first report on fees started in 2015. The Board requested to do a preliminary analysis of the fees for 2017. Gus indicated that Wainwright will work with People's Bank to have the information available in the months to come.

A motion as made by Poore to move \$6 million from People's United Bank to IR&M Fixed income, seconded by MacDonald.

Vote- 5 yes

PROSPER Update

Legal

- Scott + Scott: Medicines Company Update.
- Schedule a hearing regarding Victor Pellot's Superannuation Retirement application.

Minutes

- Review and approve the September 12, 2017 regular meeting minutes.

A motion was made by Benevento to approve the September 12, 2017 regular meeting minutes, seconded by Cleary.

Vote- 5 yes

- Review and approve the November 14, 2017 regular meeting minutes.

A motion was made by Benevento to approve the November 14, 2017 regular meeting minutes, seconded by Cleary.

Vote- 4 yes, 1 abstain

- Review and approve the December 12, 2017 regular meeting minutes.

A motion was made by Poore to approve the December 12, 2017 regular meeting minutes, seconded by MacDonald.

Vote- 5 yes

Warrants

Review and approve the warrants:

- December 2017 Warrant 12-2017: \$2,137,518.70 (approved for up to \$2,200,000.00).
- Estimated January 2018 warrant: \$2,300,000.00.

A motion was made by MacDonald to accept the warrants and seconded by Benevento.

Cash Books

Review October 2017 cash books.

October 2017 cash books were reviewed and signed off on by all 4 members that were present at the meeting.

Budget

2018 Budget-

A motion was made by Poore to pass a two twelfth budget and seconded by Benevento.

Renovations

Update

The Administrator gave an update on the renovations.

Correspondence to be reviewed

PERAC Memo #36	12/11/17	Information Needed for Calculation Approvals
PERAC Memo #37	12/11/17	3(8)(c) Reimbursements and PERAC Calculation Policy 15-001
PERAC Memo #38	12/12/17	2017 Disability Data
PERAC Memo #1	1/1/18	2018 Limits under Chapter 46 of the Acts of 2002
PERAC Memo #2	1/2/18	2018 Limits under Section 23 of Chapter 131 of the Acts of 2010
PRIM	2017	Annual CAFR Report
Wolf Popper LLP	12/31/17	Recap of 10/17 Litigation Activity
Eastern Bank	11/2017	Bank Reconciliation

New Business

Matters and issues the Board would like to discuss at future meetings.

A motion was made by MacDonald and seconded by Benevento to adjourn the meeting at 11:05AM.

Vote- 5 yes

Date of next scheduled Retirement Board meeting is Tuesday, February 13, 2018, 9:00AM.

William J. Klueber, Chairman

James P. Cleary, III

James P. Cleary, III

Richard MacDonald

Richard MacDonald

Charles Benevento

Charles Benevento

Lewis F. Poore, Jr.

Lewis F. Poore, Jr.