

## HAVERHILL RETIREMENT BOARD

Tuesday, July 10, 2018 9:00AM

Haverhill City Hall, Room 303

The meeting was called to order at: 9:06AM

In attendance: Board Members: William Klueber, James Cleary, Charles Benevento, Richard MacDonald (9:08AM) and Lewis Poore; David Van Dam (Administrator) and Gus Aristizabal (Wainwright).

### New Member Enrollments

Acknowledge new member enrollments:

**Haverhill Public Schools:** Debra D'Orazio and Gloria Hilton. **Whittier Vo-Tech:** James Razza. **Haverhill Highway Department:** Amanda Buckley. **Haverhill Police Clerks:** Laurie Brown.

A motion was made by Poore to accept the New Member Enrollments as listed above, seconded by Benevento.

Vote- 4 yes

### Buybacks/Makeups

None

### Refunds

- **Haverhill Public Schools:** Phillip Banks.

A motion was made by Poore to accept the Refunds as listed above, seconded by Benevento.

Vote- 5 yes

### Transfers

**Haverhill Public Schools:** Rachel Thunberg (State) and Carol O'Neil (MTRS). **Library:** Justin Acosta (Middlesex County) and Elizabeth Meier (Hampshire County).

A motion was made by Poore to accept the Transfers as listed 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: **Haverhill School Department:** Sallie Gauron (07/24/2018; 42 yrs., 7 months) and Wanda Page (06/30/2018; 22 yrs., 8 months). **City of Haverhill- Water Treatment:** James Gilbert (10/04/18; 10 yrs., 0 months). **Haverhill Fire Department:** Brian Moses (07/21/2018; 33 yrs., 6 months). **Haverhill Highway**

**Department:** Kelly Moses (07/22/2018; 30 yrs., 4 months). **Haverhill Police Department:** Robert Rogers (07/16/2018; 24 yrs., 6 months) and Kim Parolisi (08/01/2018; 31 yrs., 3 months).

A motion was made by Poore to accept the Superannuations as listed above, seconded by Cleary.

Vote- 5 yes

#### Review of Administrator

A review of the Administrator was discussed and a motion was made by Benevento to give a 6% increase after 6 months and 3% increase after January 1, 2019, seconded by MacDonald.

Vote- 5 yes

#### Investment Consultant Review & Update

- Overview of Markets and Performance Report.
- Appropriation Allocation \$14M
- Up to \$2.5M for July month-end warrant – VOTE.

A motion was made by Poore to transfer \$16M city appropriation money to the PRIT Core Fund, seconded by Cleary.

Vote- 5 yes

1. Tom Mazza provided an update on DSF Multi-Family Real Estate III, LP. He provided an update on the firm with no changes to personnel or process. The ADV part 2A dated March 19, 2018 was presented and had no legal disclosures. The Fund has 18 months left in the investment period and by the end of July 2018 has called 56.61% of the capital in five properties. By the time the Fund finishes its investment period, it is likely to have 8 to 9 properties in the Fund (currently looking at two properties in New Jersey). Overall Mr. Mazza is happy with the investments in the Fund. Over the next 12 months they want to stabilize the existing properties and add additional investments in the Fund.
2. WIC discussed all the transactions that took place with PRIT as of July 1, 2018 and provided an estimate rebalancing report with and without the upcoming appropriation. The Board discussed the upcoming appropriation (estimated around \$ 16.8 M). The Board instructed David to keep up to \$ 2.5 M from the appropriation for benefit payments and send the difference to PRIT as of August 1/2018.

3. WIC will provide an updated schedule for the next liquidation in the August 2018 meeting for another 1/3 of the allocation to be invested by October 1/2018 with the PRIT Fund.
4. The Board reviewed the list of pending managers to interview. The Board asked to bring two managers in August, two in September and PRIT in October.

#### Investment Manager Update- 9:45AM-10:00AM

- DSF- Tom Mazza

#### **The DSF Group:**

Fund Update (as of 3/31/2018)

- ☐ Total Fund Size: \$285.1 Million
- ☐ Invested Capital: \$136.8 Million
- ☐ Capital Called to Date: 47.97%
- ☐ Total Investments: 4
- ☐ Gross Assets: \$377.9 Million
- ☐ Net Assets: \$141.0 Million
- ☐ Average Deal Size: \$90.9 Million
- ☐ Leverage: 65%
- ☐ Weighted Average Cost of Debt: 3.57%
- ☐ Total Units: 1,149
- ☐ Portfolio Occupancy: 94%

Haverhill Summary

- ☐ Total Commitment: \$3,000,000
- ☐ Total Contributions: \$1,698,422
- ☐ Total Distributions: \$55,766

#### **Regulatory Review:**

ADV Part 1A, dated 3/20/2018, revealed no disciplinary disclosures or conflicts of interest. ADV Part 2A, dated 3/20/2018, had no material changes from the previous report. The ADV Part 2A revealed no financial disclosures to note.

#### **Fund Investments:**

##### **Property Location # Units Purchase Date Purchase Price**

Halstead Malden

Square

Malden, MA 195 7/28/2016 \$73,750,000

La Rochelle New Rochelle, NY 408 10/20/2016 \$148,500,000

Halstead Milford Milford, CT 246 12/22/2017 \$50,500,000

Talleyrand

Apartments

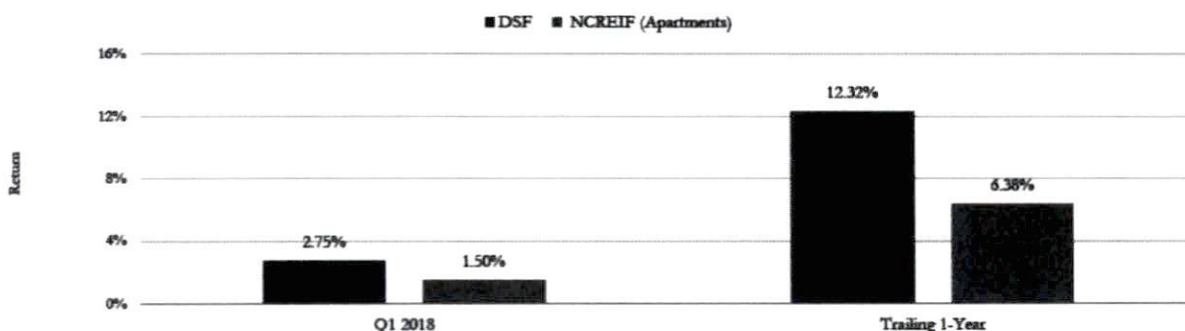
Tarrytown, NY 300 3/15/2018 \$91,020,436

Fairlawn

Apartments

Boston, MA 347 July 2018 \$65,250,000



**Performance (as of 3/31/2018):****Gross Return Detail**

		Q1 2018	Trailing 1-Year
DSF <sup>1</sup>	Income Return	1.49%	7.21%
	Appreciation Return	1.26%	4.85%
	<b>Total Return</b>	<b>2.75%</b>	<b>12.32%</b>
NCREIF (Apartments) <sup>2</sup>	Income Return	1.06%	4.37%
	Appreciation Return	0.44%	1.94%
	<b>Total Return</b>	<b>1.50%</b>	<b>6.38%</b>
<b>Outperformance on Total Return</b>		<b>1.25%</b>	<b>5.94%</b>

Expects to have 8 to 9 properties in the portfolio by the time they complete the investment process. In addition, once the portfolio is stabilized should yield 5 to 6% annually. Mr. Mazza indicated that they have not been any changes to personnel and the firm and they had no legal issues to report. Overall he expressed no issues with any of the properties in the Fund.

PROSPER Update-

An update was given by the Administrator.

Minutes

- Review and approve the June 12, 2018 Regular Meeting Minutes.

A motion was made by MacDonald to accept the June 12, 2018 Regular Meeting Minutes, seconded by Benevento.

Vote- 5 yes

Warrants

Review and approve the warrants:

- June 2018 Warrant 05-2018: \$2,998,416.84 (approved for up to \$2,500,000.00).
- Estimated July 2018 warrant: \$2,500,000.00.

Correspondence to be reviewed

PERAC Memo #18	6/13/18	Vernava Follow-Up: Compliance with PERAC Memoranda
PERAC Memo #19	6/18/18	Tobacco Company List
PERAC Memo #20	6/28/18	PROSPER and Compliance with the 91A Process
Scott+Scott	6/20/18	FX Client Update and Tile Shop
Wolf Popper LLP	6/13/18	April 2018 Litigation Activity Update
Eastern Bank	5/2018	Bank Reconciliation
Legal-Michael Sacco	6/11/18	Vernava Post PERAC MACRS Presentation
Legal-Michael Sacco	6/29/18	Gomes Superior Court Decision and Vernava Update

A review of the correspondence was provided by the Administrator.


New Business

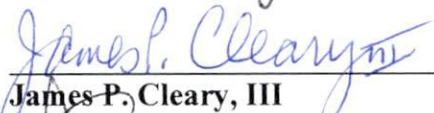
Matters and issues the Board would like to discuss at future meetings.


A motion was made by Cleary to adjourn the meeting at 10:36AM, seconded by MacDonald.

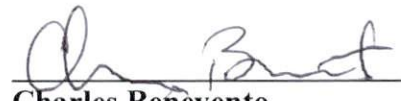
Vote- 5 yes

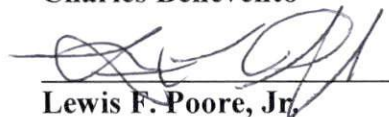
**Date of next scheduled Retirement Board meeting is Tuesday, August 14, 2018, 9:00AM.**

  
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**William J. Klueber, Chairman**

  
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**James P. Cleary, III**

  
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**Richard MacDonald**

  
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**Charles Benevento**

  
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**Lewis F. Poore, Jr.**