

**HAVERHILL RETIREMENT BOARD****Tuesday, March 21, 2017 9:00 am****Haverhill City Hall, Room 301**

The meeting was called to order at 9:08 am.

In attendance: Board Members: William Klueber, Charles Benevento, James Cleary, Richard MacDonald, Lewis Poore; Scenia Saintcyr; Sheryl Trezise; Jeff Fabrizio (Wainwright)

New Member Enrollments

Motion by Benevento, seconded by Cleary to acknowledge new member enrollments:

**Health & Insp:** Krista Dern **Fire:** Jeremy Fuller; Jay Lemieux; Timothy Nutter **HR:** Jennifer Taft; Michelle Gilman **School:** Richard Jalbert; Devyn Mangrum; Nathaniel Wiech; Bridget DeBenedetto; Paul Riccio **Water:** Stephen Petrosino **Library:** Molly Pevna. Vote 5-0.

Buybacks/Makeups

Motion by Benevento, seconded by Cleary to approve buybacks for: **School:** Desiree Demers (5.25 yrs from 1/7/11-10/31/16; Café). Vote 5-0.

Refunds

Motion by Benevento, seconded by Poore to approve refunds for: **Health:** Rosanne Colarusso **School:** Ynna Kutney; Darius Pomare. Vote 5-0.

Transfers

Motion by Poore, seconded by Cleary to approve transfers for: **Library:** Katelyn Buote (ERRS) **Police:** Shawn O'Brien (Amesbury). Vote 5-0.

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:

Motion by MacDonald, seconded by Benevento to:

- Acknowledge superannuations: **Fire:** Michael Sullivan (6/1/17; 34.25 yrs); **Police:** Francis C. Rogers, Jr. (2/22/17; 33.25 yrs); Patricia Noonan (3/1/17; 34.9167 yrs); Dana Burrill (4/1/17; 33.5833 yrs); Lance Dawkins (4/1/17; 32 yrs); Gary Melanson (4/1/17; 33 yrs) **School:** Michael Marcoux (3/18/17; 35.25 yrs) **Water Treatment:** John Dignus (2/24/17; 29.5 yrs). VOTE 5-0.

Klueber and Cleary both completed Conflict of Disclosure Forms regarding Diane Boucher. Both will vote.

Diane and Stephen Boucher joined the meeting along with their Attorney John Finbury. After reviewing Ms. Boucher's accidental disability application, Poore made a motion to accept Diane Boucher's (**School**) application and to request a regional Medical Panel; Benevento seconded the motion. Vote 5-0.

Investment Manager Presentations

**Fisher/Roman Knysh/Leon Stamps:** The Board was presented with an update on the firm, performance and market outlook. AUM firm-wide are over \$70B. Haverhill's current market value as of 2/28/17 was \$13.2M. Fisher has outperformed the benchmark (bm) on a 3, 5, 7 and 10 year basis. Annualized return since inception exceeded the bm by 3.1%, returning 13.4% on a net basis. They have a positive outlook for equities in 2017. There are no legal or regulatory issues and confirmed their best execution practice.

**IR&M/Rob Hannon/Allison Walsh:** IR&M stated that there are no major changes with the firm and that they are in great financial shape with \$62.2B AUM. The portfolio outperformed the bm by 89 bps as of 12/31/16. Haverhill's market value as of 1/31/17 was \$20.6M. Portfolio characteristics were reviewed including duration and sector distribution along with a review of IR&M's strategy. There are no legal or regulatory issues.

#### Investment Consultant Review & Update

- Benevento made a motion, Poore seconded it to redeem up to \$1.8M from IR&M for the March month-end warrant. Vote 5-0.
- Motion by Poore, seconded by Benevento to approve DSF's Amendments No. 1 & 2. Vote 5-0.
- Motion by Cleary, seconded by Poore to approve MFS' proxy recommendations. Vote 5-0.
- Overview of Markets and Performance Report: As of 12/31/16, the fund's market value was \$178.2M. YTD gross returns were: overall, 8.45%; equities, 11.05%; international equity, 3.73%; fixed income 6.87%; real estate 9.61%; timber 1.85%; venture capital 5.21%; hedge fund 4.32%. PRIT's gross return as of 12/31/16 was 8.0%. To date, there has been good performance in equities. Global bond market yields are still low. Putnam, the small cap active manager, announced that Pam Gao, the portfolio manager, is leaving effective 3/31/17. She will be replaced by William Monroe.
- After a discussion on small caps (s/c), Benevento made a motion, seconded by Cleary to go out for a growth passive s/c product RFP. Vote 5-0.
- PRIT was discussed along with liquidity concerns.
- Annual disclosures were presented.

To accept application and request Medical Panel:

- A motion was made by Benevento, seconded by MacDonald to accept the Accidental and Ordinary Disability application and request a Medical Panel for: **Police:** David Cox. Vote 5-0.

#### Legal

- The Board reviewed updates from Scott & Scott regarding the following security litigation cases: Tile Shop Holdings; NuVasive, Inc.; The Medicines Company; and Fx.
- Labaton Sucharow provided an update on Providence Service & Swift Transportation security litigation cases along with the Q316 report.
- After an update on the Dawn Medford matter, and receiving a letter from the City Treasurer agreeing to a stay, MacDonald made a motion, seconded by Benevento to stay the proceedings until such time as the criminal matter against Ms. Medford is resolved. Vote 5-0.

#### Minutes

Motion by Benevento, seconded by Cleary to approve the February 14, 2017 COLA and executive session meeting minutes. Vote 5-0.

Motion by Benevento, seconded by Cleary to approve the February 14, 2017 regular meeting minutes. Vote 4-1, with Poore voting no.

#### Warrants

Motion by Poore, seconded by Benevento, to approve the warrants:

- February 2017 Warrant 1-2017: \$2,156,902.74 (approved for up to \$2,225,000.00).
- Estimated March 2017 warrant: \$2,300,000.00.

Vote 5-0.



Cash Books

December pre-close 2016 cash books were reviewed.

Annual Statement

Motion by Poore, seconded by Benevento to approve the 2016 Annual Statement in March. Vote 5-0.

PERAC

PERAC is launching new software called "PROSPER" and training is required.

Travel

Motion by Benevento, seconded by MacDonald to approve travel for the 5/10/17 TerraCap Annual Meeting, Naples, FL. Vote 5-0.

Renovations

Orlando Pacheco discussed the recent meeting with Contractor Bill Zannoni and the City's Electrical Contractor, Ron Seaboyer. Before renovations can begin a new electrical subpanel needs to be installed. MacDonald made a motion, seconded by Benevento to approve a new electrical sub panel; cost estimated to be \$4,000. Vote 5-0.

After further discussion, the Board asked Orlando to finalize language with Bill Zannoni and get an updated quote to the Board.

Inclement Weather Policy

After discussing the postponement of March's Board meeting due to inclement weather, MacDonald made a motion, seconded by Poore to adopt an inclement weather policy for the Retirement Office – "When a State of Emergency is declared by the Governor, and upon the approval of the Retirement Board Chairman, to ensure the safety of the employees, the retirement staff will work remotely."

Correspondence reviewed

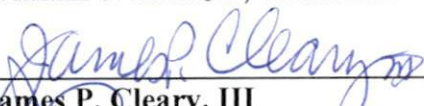
PERAC Memo #14	2/23/17	Compliance Training – Prosper system.
RhumbLine	2016	Proxy Voting – S&P 400 (electronic file).
RhumbLine	2016	Proxy Voting – R1000 (electronic file).
Wolf Popper	3/2/17	11/16 litigation activity.


Motion by Cleary, seconded by MacDonald to adjourn the meeting at 11:59 am. Vote 5-0.

**Date of next scheduled Retirement Board meeting is Tuesday, May 9, 2017, 9:00 am.**

  
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 William J. Klueber, Chairman

  
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 Charles Benevento

  
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 James P. Cleary, III

  
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 Lewis F. Poore, Jr.

  
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 Richard MacDonald