

July 12, 2011
Minutes #472

Minutes of the Board of Trustees' Meeting -1-

Call to Order: Chairman Pinard called the meeting to order at 8:33 a.m.

Present: Trustees: Chairman Pinard, Paul Porter, Dianne Mercier, Dick Molan and Michael Woitkowski arrived at 8:34 a.m.

MECRS Staff: Gerard Fleury, Sandi Aboshar and Suzanne Wilson

Absent: Trustees: William Sanders and Mayor Ted Gatsas

In Attendance: Attorney John Rich of the McLane Law Firm

Approval of the Minutes of the Previous Board Meeting June 14, 2011:

Trustee Molan moved to approve the minutes of the meeting of June 14, 2011 seconded by Trustee Mercier and passed unanimously by all those trustees present.

Approval of the Immediate Meeting Agenda:

A motion was made by Trustee Molan to approve the immediate meeting agenda, seconded by Trustee Mercier, motion carried.

Report of the Executive Director:

Progress Report on PTG Project - Mr. Fleury began by reporting that work is going well on the Pension Technology Group project. MECRS staff now has access to the new system and have begun testing functionality. Weekly conference calls to resolve problems have had few issues to resolve and steady progress continues.

Participation in Meeting for Recipients of Lay-off Notices – Next, Mr. Fleury informed the trustees that on June 23rd the MECRS participated in a meeting held in the council chambers at City Hall for City employees scheduled to be laid off at fiscal year end. The names of MECRS clients in attendance were collected and categorized according to their entitlement to retire, become vested deferred members, and those eligible to receive a refund. Following the meeting, staff prepared detailed information for each affected member.

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City Funding Obligations Received - Mr. Fleury informed the trustees that the City requested information in the closing days of June regarding prepayment of the December portion of its annual employer contribution obligation. Using a calculation tool provided by the actuary the amount of savings which could be realized with the prepayment of various amounts was explored. As a result, the City elected to pay \$1 million toward their December 2011 obligation thus saving \$36,822 from what it would have owed had it waited six months to make its second installment for the year. The full amount of the first installment, less the annual actuarially determined "true-up" credit was subsequently received in the opening days of July.

Status of Manager Changes – Moving on, Mr. Fleury noted that the contract review with Standish required time to properly understand and document aspects of the agreement which were less than clear. Combined with the fact that the receipt of proceeds from the liquidation of Seix and Attalus were less prompt than originally expected, the funding date for Standish was set for the end of July for August participation. He further noted that the funding for Permal is also contingent on receipt of proceeds and at the time of this report, no certain date has been determined for the receipt of liquidation proceeds from Attalus Capital.

In closing his report, Mr. Fleury informed the trustees that the MECRS Comprehensive Annual Report has been sent out for printing and that it also has been posted to the MECRS website, <https://www.manchesterretirement.org>.

Attorney John Rich Jr. of the McLane Law Firm briefed the Board on the proposed contract amendment to Standish's subscription agreement and informed the Board that he is in anticipation of a call from their legal representative in the coming days. Attorney Rich also mentioned that he anticipates that the Permal contract will be finalized soon.

Report of the Benefits Committee:

Due to the absence of Benefits Committee Chairman, Paul Porter during a recent Advisory Committee Mtg., Mr. Fleury provided the trustees a brief report on the committee chairman's behalf.

Mr. Fleury informed the trustees that Mr. Steve Quinn was elected by the group to act as chair of the Advisory Committee for the next year. Mr. Fleury also reported that the focus of the meeting had been concerns about the possibility of City lay-offs. Mr. Fleury stated that he had expressed comments to the group in keeping with those he had made during his Executives Director's report in that the MECRS would identify and work with each category of affected member in the event of a lay-off to ensure that their retirement entitlements were well understood.

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Consent Agenda:

Chairman Pinard asked Mr. Fleury to comment on the fact that 60% of the MECRS annual budget appears to have been expended according to the monthly financial statements with only half of the year having transpired.

Mr. Fleury explained that there are some line items that are paid annually and when such payments are made in the first two quarters, it appears that there is disproportional spending. Conversely, there are always some lines in the budget which end up being underfunded and where expenditures exceed the budgeted amount. Mr. Fleury reminded the Board that he periodically makes formal requests of them, usually in the fall of each year, to transfer appropriations from one line where there is a surplus to lines where there has been a deficit, to achieve a balanced budget.

Trustee Molan moved to accept the Consent Agenda seconded by Trustee Porter and passed unanimously by all those trustees present.

New Business:

Board Agenda Delivery Options - Mr. Fleury explained that due to a recent cutback in City services, MECRS is no longer served by a daily courier system. The courier system has traditionally been used to deliver Board agendas to trustees employed by the City. He asked the Board members for guidance on how they wish to receive agenda materials in the future.

Chairman Pinard replied that he would like to receive future agendas via e-mail and have a hard copy waiting for him on Board meeting day. Trustee Woitkowski agreed with Chairman Pinard and also requested that he would like to receive the agenda via email.

MECRS Staff members agreed to accommodate the trustee's request.

Mr. Fleury referred to Informational Item #4, An Update on Locally Administered Pension Plans. He informed that Board that MECRS had provided the Center for Research Retirement at Boston College with copies of valuations from previous years, which are all a matter of public information. As a result, the MECRS was included in the data pool on which the report was based.

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Motion to Adjourn:

Having completed all of the items of business for the day, Chairman Pinard entertained a motion to adjourn. Trustee Porter moved to adjourn at 8:50 a.m. seconded by Trustee Molan and passed unanimously by all those trustees present.

Respectfully Submitted,

Gerard E. Fleury
Executive Director