

April 14, 2015
Minutes #512

Minutes of the Board of Trustees' Meeting -1-

Call to Order: Chairman Pinard called the meeting to order at 8:30 a.m.

Present: Trustees: Donald Pinard, Bill Sanders, Richard Molan and Dianne Mercier
MECRS Staff: Gerard Fleury, Sandi Aboshar and Suzanne Wilson

Absent: Michael Woitkowski, Robert Lynch, and Mayor Gatsas

In Attendance: Attorney John Rich of the McLane Law Firm

Approval of the Minutes of the Previous Board Meeting:

Chairman Pinard entertained a motion to approve the previous board minutes of March 10, 2015.

Trustee Molan moved to approve the board minutes of March 10, 2015, seconded by Trustee Sanders and passed unanimously by all those trustees present.

Approval of the Immediate Meeting Agenda:

Trustee Sanders motioned to approve the immediate meeting agenda, seconded by Trustee Mercier, and passed unanimously by all those trustees present.

Report of the Executive Director

Service Credit Eligible for Upgrade: First, Mr. Fleury responded to a question that was posed during the actuary's presentation at the March Board of Trustees Meeting, regarding the amount of 1.5% service credit which has not been upgraded but was still eligible for upgrade, should the member elect to do so. Mr. Fleury reported that an analysis of the active membership as of March 10, 2015 showed that 279 active members have an aggregate of 2,162 years of 1.5% time, or, an average of 7 ³/₄ years per eligible member.

NEPC Client Conference May 20th and 21st: Mr. Fleury informed the trustees that NEPC, the System's Investment Consultant, has announced the dates for their annual client conference in Boston and he asked the board's permission to attend the first day of the conference on May 19, 2015.

Request to Attend Public Funds Summit in Newport, RI - In addition to his first request, Mr. Fleury requested the board's permission to attend Opal's Public Employees Retirement Fund Summit in Newport, RI on July 20th, 21st and 22nd. He stated that the Summit is educationally informative, while providing an opportunity for peer interaction with representatives from other Public Retirement Systems.

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Progress on Actuarial Valuation and GASB 68 Reporting: Moving on, Mr. Fleury reported that as of Friday, March 20th, a document prepared by the MECRS office identifying each department of the City requiring Governmental Accounting Standards Board 68 information for Comprehensive Annual Financial Reporting purposes, was provided to Gabriel, Roeder & Smith. He noted that the document should serve as the basis for future requirements.

Mr. Fleury then gave recognition to Mr. Guy Beloin of the City's Finance Department and stated that Mr. Beloin was instrumental in accomplishing the task of contacting the City Departments regarding the GASB 68 requirement.

Investment Funding Progress: Mr. Fleury recapped a decision that was made about a year ago to commit \$2.5 million in additional investment with PRISA. At that time he indicated that the Retirement System had not completed the funding from an earlier commitment and that process was only completed near the end of 2014. He went on to report that PRISA has begun to make capital calls on the new commitment and the information coming to the MECRS office indicates that this will be happening in quarterly increments. Mr. Fleury reported that the first quarter call has already been made and the dollar value of subsequent increments is expected soon. Details on these transactions are included in the monthly cash flow report contained in the trustees' agenda packets.

Regarding Mr. Fleury's earlier request to attend the NEPC Conference and the Opal Public Employees Retirement Fund Summit, the trustees granted permission to Mr. Fleury to attend both the NEPC Conference and the Opal Summit.

Report of the Administrative & Accounting Committee:

Due to the absence of A&A Committee Chairman Woitkowski, Trustee Sanders volunteered as Acting Chairman and reported on the A&A meeting held just prior to the MECRS Board of Trustees meeting.

Acting Chairman Sanders reported that the A&A Committee discussed the annual determination on the merits and affordability of a retiree Cost of Living Adjustment. He stated that after the committees' review of the Administrative Rule on COLA and the formula calculations of 2015, committee members agreed to defer the COLA decision until the next A&A meeting scheduled for May 12, 2015, at which time the committee expects to have received clarification on the COLA Guidelines.

Chairperson Comments:

Chairman Pinard referred to Consent Agenda Item, Request for Pension list. He commended Mr. James Hoben for his 41 years of dedicated service to the City Traffic Department and noted that Mr. Hoben will be missed.

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Consent Agenda:

Trustee Sanders moved to approve the Consent Agenda, seconded by Trustee Molan and passed unanimously by all those trustees present.

New Business:

2014 – Actuarial Valuation: Chairman Pinard entertained a motion to accept and place on file the final version of the 2014 Actuarial Valuation, prepared by Gabriel, Roeder, Smith & Co.

Trustee Molan offered a motion to accept the final version of the 2014 Actuarial Valuation, seconded by Trustee Sanders. Motion passed without objection.

Mr. Fleury explained that the 2014 valuation will be a transition from GASB 25 and 43 reporting requirements, to GASB 43 and 67. He informed the board that the valuation prepared does not yet include GASB 67 information, which will be provided in a separate report.

Trustee Sanders asked Mr. Fleury if he would provide a draft copy on the allocations of the liabilities for the various City Departments, for his review, followed by a scheduled conference call with the System's actuary so that Trustee Sanders could address any concerns at that time.

Mr. Fleury responded that he would act on Trustee Sanders request.

Attorney Rich asked Mr. Fleury if the pending report of the valuation will be formally voted on, to which Mr. Fleury responded that the GASB 67 requirement will be subject to review and acceptance by the Board of Trustees.

Next Meeting Schedule:

Chairman Pinard stated that the next MECRS Board of Trustees Meeting is scheduled for May 12, 2015 at 8:30 a.m.

Motion to Adjourn:

Having conducted all the business of the day, Trustee Sanders moved to adjourn the meeting at 8:44 a.m. seconded by Trustee Molan and passed unanimously by all those trustees present.

Respectfully Submitted

Gerard E. Fleury
Executive Director