

January 10, 2017
Minutes #531

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: Donald Pinard, Dick Molan, Bob Lynch, Bill Sanders and Dianne Mercier arrived at 8:34 a.m.
MECRS Staff: Gerard Fleury, Sandi Aboshar and Suzanne Wilson

Absent: Mayor Gatsas and Mike Woitkowski

Excused: None

In Attendance: Attorney John Rich, from McLane Middleton, Professional Association

Approval of the Minutes of the Previous Board Meeting:

Trustee Lynch moved to approve the minutes for the meeting held December 13, 2016. Trustee Sanders seconded the motion and it was passed unanimously by all those trustees present.

Approval of the Immediate Meeting Agenda:

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

New Business:

Board Organization – Chairman Pinard began the meeting by opening nominations for the MECRS Board Chairman, pursuant to Article II, 2.01 of the MECRS By-Laws.

Trustee Molan nominated Donald Pinard to continue serving as MECRS's Board Chairman, seconded by Trustee Sanders. Chairman Pinard then asked if there were any other nominations. As there were no other nominations, Trustee Sanders moved to close nominations for Board Chairman, seconded by Trustee Molan and passed unanimously by all those trustees present. The trustees then voted unanimously to elect Donald Pinard to continue as Board Chairman.

Chairman Pinard thanked the trustees and agreed to continue to serve a two year term as Chairman of the Board.

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The next item of board organization, pursuant to Article 5.01 of the MECRS By-Laws, was the appointment of committee chairs for the three sub-committees, Investment, Administration & Accounting, and Benefits Committee.

Chairman Pinard noted that presently, Trustee Woitkowski is chairing the Administrative & Accounting Committee, Trustee Molan is chairing the Investment Committee and Trustee Lynch is chairing the Benefits Committee.

Chairman Pinard asked the committee chairman's if there were any requested changes to their individual assignments, to which there were none.

On behalf of the absent board member, Trustee Woitkowski, Chairman Pinard recommended his re-appointment to continue serving as Chairman of the Administrative & Accounting Committee as well as his assignments as committee member on the Investment Committee and the Benefits Committee.

Chairman Pinard noted that Trustee Sanders, as the City Finance Director, is automatically on the Administrative & Accounting Committee and he is presently on the Investment Committee.

Next, Chairman Pinard stated the committee assignments to the three MECRS sub-committees and asked the trustees present, if there were any requests for changes in their committee assignments, to which there were none. Therefore, Chairman Pinard stated that all the committee assignments remain unchanged.

Executive Director Report:

Election Notification Flyer: Mr. Fleury first stated that following each election there are disappointments voiced, that trustee elections are not better publicized. Unlike retirees who receive a direct mailing notification, it has been suggested that bulletin board and website postings are not sufficient to alert active plan participants, as to the time and date of pending trustee elections. In response to this problem, Mr. Fleury reported that MECRS staff has designed a payroll flier which will be provided to both the City and the Manchester School District which will be included with the member's weekly payroll check, just ahead of the election. Also, the election checklist steps have been appended to add flier, for distribution as part of the annual election process. While this may not cure a low voter turnout, Mr. Fleury stated, it will cost very little and will be an improvement to the past practices.

Status Report – RFP for Custodial Services: Moving on, Mr. Fleury reported that a formal Request for Proposal for custodial services is being prepared, which will be sent to potential service providers, identified by MECRS's Investment Consultant, NEPC. Mr. Fleury explained

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that since his last status report, it has been determined that existing custodial services and retiree payroll services are a package deal, which the present vendor chooses not to offer separately. Originally, Mr. Fleury explained, retiree payroll services was not targeted for replacement, however, since the current provider appears unwilling to separate the services, the RFP will require that payroll service be part of any proposal.

Mr. Fleury informed the board that based upon initial work completed by the System's investment consultant, NEPC, this requirement should not be problematic, other than the fact that it will increase the scope of the functional requirements.

Mr. Fleury outlined the RFP process for the trustees and noted that the issue date is targeted for the spring of 2017.

Trustee Mercier suggested that MECRS administrative staff be part of the RFP interview process so that they may address highlighted concerns or ask questions regarding the analysis and responsibilities of the replacement service provider. Trustee Molan and Trustee Sanders concurred with Trustee Mercier.

Mr. Fleury then reminded the trustees that Mr. Ken Alberts from Gabriel, Roeder, Smith & Co, as well as NEPC representatives will be in attendance during the March, 2017 meeting of the full board, for the presentation of the draft, 2016 MECRS valuation, and to deliver the results of the Phase 2 portion of the requested study of potential changes to the Plan.

Trustee Sanders asked Mr. Fleury if at the March board meeting, the trustees would have the 2016, 4th quarter investment results, to which Mr. Fleury responded that those results should be available. The board discussed the MECRS present earnings assumption, relative to the MECRS portfolio position and the 2016 MECRS portfolio performance.

After discussions regarding the MECRS portfolio performance, investment philosophy and strategy, the MECRS assumed rate of return and the performance of the MECRS investment advisor, Mr. Fleury was asked to provide the December 31, 2016 Investment Flash Report prior to the next board meeting, as well as an executive summary of how the last RFP for an investment advisor was completed.

Executive Director Fleury responded that he would act upon the Trustees' request.

Consent Agenda:

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

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New Business:

Request for Work Related Disability – Mr. Fleury summarized the procedure in which a member applies for a Work-Related Disability and the requirements that must be met by the applicant, followed by the issuance of his recommendation to the full board.

Trustee Lynch excused himself from the meeting at 9:34 a.m.

Non-Public Session Pursuant to RSA 91-A:3(II) (c) - Matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the body or agency itself, unless such person requests an open meeting.

Chairman Pinard entertained a motion to go into Non-Public Session 9:38 a.m. pursuant to RSA 91-A:3(II) (c).

Roll Call Vote:

Ayes: Messrs. Pinard, Mercier Molan and Sanders

Nays: None

Following the conclusion of the Non-Public Session at 10:07 a.m., Chairman Pinard then entertained a motion to seal the minutes of the non-public session, pursuant to RSA 91-A:3 III.

Trustee Molan moved to seal the minutes of Non-Public Session on the grounds that the disclosure would affect adversely the reputation of any person, other than a member of the body or agency itself. The motion was seconded by Trustee Sanders and passed unanimously by all those trustees present.

Trustee Molan then moved to table the Request for Work-Related Disability by Peter Lynch and to direct the MECRS Executive Director to seek a third Independent Medical Evaluation, seconded by Trustee Mercier and passed unanimously by all those trustees present.

Trustee Molan informed the board that he will not be in attendance for the next scheduled board meeting of February 14, 2017.

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Motion to Adjourn:

Having conducted all the business of the day, Trustee Molan moved to adjourn the meeting at 10:08 a.m. seconded by Trustee Woitkowski and passed unanimously by all those trustees present.

Respectfully Submitted,

Gerard E. Fleury
Executive Director