

December 11, 2018

Minutes #551

Minutes of the Board of Trustees' Meeting -1-

Call to Order: Chairman Molan called the meeting to order at 8:37 a.m.

Present: Trustees: Richard Molan, Bob Lynch, Mike Woitkowski,
Bob Gagne, Dianne Mercier arrived at 8:38 and Bill Sanders arrived at
8:39

MECRS Staff: Gerard Fleury, Sandi Aboshar and Suzanne Wilson

Absent: Trustees: Mayor Joyce Craig

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

Approval of the Minutes of the Previous Board Meeting:

Trustee Woitkowski moved to approve the minutes of the board meeting held November 13, 2018, seconded by Trustee Lynch.

Referencing the Report of the Benefits Committee segment within the November Minutes, Trustee Gagne noted a correction where it refers to the next scheduled MECRS Board meeting on January, 2018, which should be changed to January, 2019.

Chairman Molan noted the correction and the approval of the amended minutes of November 13, 2018 was passed unanimously by all those trustees present.

Approval of the Immediate Meeting Agenda:

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

Report of the Executive Director:

Plan to Migrate MECRS GL to the Cloud: As previously reported, Mr. Fleury informed the board that investigation continues into possible replacement of the existing General Ledger application. The application will require replacement within two years, when the platform on which it operates is no longer supported by Microsoft. He informed the Board that on November 28th, he and Executive Assistant Sandi Aboshar participated in a 90-minute online demo of a package which had been tailored to mirror MECRS's reporting needs. Mr. Fleury stated that he will keep the board apprised regarding this ongoing search for a preferred General Ledger vendor.

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Desktop Computer Problems Largely Resolved: Mr. Fleury stated that the System's administrative operations were severely inconvenienced by a faulty automatic update from

Microsoft. He reported that reactionary steps were taken to address the problem and staff was able to continue working. In the final analysis he stated, desktop computers needed to have their Windows 10 Operating System reinstalled from scratch and all software had to be reloaded. Mr. Fleury informed the trustees that since reloads were necessary, Office suite applications were upgraded to the most recent version and so all Office suite products and desktop units are now operating with fully updated software.

ACA and POP Reports Ready for 2018: In closing his report Mr. Fleury referred to the Affordable Care Act 1095B forms and Section 125 Premium Only Plan, (POP) reports for MECRS employees, which must be filed annually. He reported that the 2018 reports have been completed and will be issued and filed immediately after the first of January, 2019.

Mr. Fleury then reminded the Board of the upcoming Trustee Election on Thursday, December 13, 2018, from 10:00 a.m. to 6:00 p.m. He noted Harry Ntapalis filed as the only candidate for the Citizen Representative position. The Employee Representative position has three candidates running for one vacant seat. The candidates are Mr. Jeffrey Plourde, Sharon Wickens and Sarah Demos. Mr. Fleury noted that further details regarding the Retirement Board election can be found on the MECRS website, manchesterretirement.org.

Referring to the migration to the cloud issue, Trustee Gagne asked if the migration is due to the current system operating on an Oracle platform. Mr. Fleury replied that the current system does not utilize Oracle and uses Sequel Server instead. Mr. Fleury explained that the driving factor is that Microsoft will discontinue supporting the operating system for the present server in 2020.

Report of the Monthly Cash Balance:

Mr. Fleury reported that the Cash Management Report reflects a stable balance of \$6 million for the period ending November, 2018. He noted that the portfolio is on schedule for a number of capital calls and there are no concerns at this time.

Mr. Fleury pointed out the newly added column, Funding Target Year, previously requested by Trustee Mercier. He indicated that format change provides the trustees with the estimated full funding deadline and indicates an approximation of when the commitment for each investment will be satisfied. Trustee Mercier thanked Mr. Fleury for the addition to the Cash Management Report.

Report of the Administrative & Accounting Committee:

Committee Chairman Woitkowski reported that on November 13, 2018, the Administration & Accounting Committee met and reviewed the draft MECRS Administrative Budget for 2019.

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After the committee's review of the summary of budget changes since the prior year, Committee Chairman Woitkowski stated that the Committee voted unanimously to recommend the approval of the 2019 draft budget, as presented. Committee Chairman Woitkowski then moved to approve the MECRS 2019 operating budget in the amount of \$934,030.42. He further stated that the amount is an increase of \$22,555.21 from the 2018 appropriation and equates to a percentage increase of 2.47%. Trustee Gagne seconded the motion and it was passed unanimously by all those trustees present.

Report of the Benefits Committee:

Committee Chairman Gagne stated that due to the upcoming MECRS's Trustee Election, whereby two newly elected trustees will join the MECRS Board, as well as filling vacancies on sub-committees, he will schedule the next Benefits Committee meeting in 2019 .

Mr. Fleury noted that he has standing instructions from Benefits Committee Chairman Gagne and Chairman Molan to notify all trustees of the importance of their attendance at the next Board meeting scheduled for January 8, 2019 and to extend the invitation to Mayor Joyce Craig. He also reminded the Board of the importance of the meeting in establishing subcommittee chair positions, as well as meaningful committee assignments, which will facilitate continued work on a membership benefit review.

Consent Agenda:

Chairman Molan entertained a motion to approve the Consent Agenda. Trustee Lynch moved to accept the Consent Agenda, seconded by Trustee Gagne and passed by all Trustees present.

New Business:

Application Request for Work-Related Disability by Michael Woitkowski - Trustee Woitkowski recused himself and left the conference room. Mr. Fleury reported to the Board on his review of the Work-Related Disability application of Mr. Woitkowski.

Mr. Fleury began by reminding the Board of the process mandated by Chapter 218:15 Laws of 1974, as amended and Administrative Rule Section 2.4 when the System receives a disability application. He explained that all disability application procedures were followed in this case by the member and the System.

Mr. Fleury reported that upon reviewing the records and required forms submitted, and the results of the two mandatory Independent Medical Evaluations which concluded that the member was disabled, that he has concluded that the file contains the necessary evidence which would allow an objective reviewer to conclude that the applicant is incapable of safely and effectively

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performing activities listed on his job description so as to satisfy the statutory requirements for a work-related disability.

Based on evidence submitted, Fleury stated that it is his recommendation to approve the Work-Related Disability for Michael Woitkowski.

Trustee Lynch asked if the Independent Medical Examinations were performed by specialists relevant to Mr. Woitkowski injuries. Mr. Fleury responded that the IME's were performed by the same medical examiners used by the Retirement System in seeking medical recommendations.

Trustee Mercier recapped past board discussions regarding the disability procedures, whereby the Board verifies that all statutory requirements are met by the applicant. The process that has been developed whereby the Executive Director makes a recommendation is followed consistently so that the decision in granting the disability is in step with the System By-Laws.

Trustee Lynch moved to approve the request for a Work-Related Disability by Michael Woitkowski, seconded by Trustee Gagne and passed by all those trustees present.

Before concluding the board meeting, Chairman Molan thanked Trustee Woitkowski and Trustee Lynch for their years of service on the MECRS Board.

Mr. Fleury notified the Board of the upcoming NEPC 2019 Client Conference in Boston, scheduled in May of 2019. He stated that if any of the board members were interested in attending the conference, that MECRS staff would help with securing accommodations.

Motion to Adjourn:

Having conducted all the business of the day, Trustee Mercier moved to adjourn the meeting at 8:47 a.m., seconded by Trustee Woitkowski and passed unanimously by all those trustees present.

Respectfully Submitted,

Gerard E. Fleury
Executive Director