

June 11, 2019  
Minutes #558

**Minutes of the Board of Trustees' Meeting -1-**

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

**Present:** Trustees: Richard Molan, Harry Ntapalis, Robert Gagne and Jeffrey Plourde

MECRS Staff: Gerard Fleury, and Sandi Aboshar

**Absent:** William Sanders, Dianne Mercier and Mayor Craig

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

**Approval of the Minutes of the Previous Board Meeting:**

Chairman Molan entertained a motion to approve the minutes of the previous board meeting held May 21, 2019.

Trustee Gagne moved to approve the minutes of May 21, 2019, seconded by Trustee Plourde and passed unanimously by all those trustees present.

**Approval of the Immediate Meeting Agenda:**

Chairman Molan entertained a motion to approve the immediate meeting agenda.

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

**Report of the Executive Director:**

**Referendum Complications:** First, Mr. Fleury reported that plans to take potential legislative changes all the way to a City referendum next year have introduced timing issues which need to be addressed. The implications of going all the way to December, 2021 in order to include the referendum step may also have implications on succession planning for the executive director. He noted that legal counsel is prepared to address this issue later in the meeting.

**GL Upgrade:** Next, Mr. Fleury indicated that after having unsuccessfully made an initial effort to find a robust and economical replacement for the existing GL application, which has been in place for too many years, an inexpensive package with good functionality and a reasonable price has been located and a trial installation is set for later this summer. After consulting with our auditor and IT consultant, he reported that the decision has been made to also replace the existing chart of accounts with a revised and better organized structure, which will automate a number of

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existing labor-intensive processes currently in use. He informed the board that the plan is to operate both systems for a time to be certain that identical results are obtained and then to phase out the old system before a renewal of the support agreement for the old system is needed.

Trustee Gagne asked Mr. Fleury if the package he is looking at is a generic package, or is it specific to a certain type of organization.

Mr. Fleury responded that it is specific to non-profit organizations and governmental organizations. Mr. Fleury elaborated further regarding the security of the package.

State Street Bank & Trust – Status Report: Mr. Fleury referred to a myriad of problems experienced last month associated with services provided by State Street Bank & Trust, which have been cleared up, for now. He indicated that State Street Bank has been unable to provide an adequate reason as to why the problems occurred and so there is no guarantee that the same issues won't happen again. He informed the board that the A&A Committee has scheduled a meeting for June 18<sup>th</sup> to review the matter further.

Progress Report of Portfolio Rebalancing: Mr. Fleury reported the System was still awaiting proceeds from the redemption of investments with Standard Life. He noted that the details on the timing for redemptions from Standard Life, listed in the subscription agreement, were less than specific. As a result, he reported that he was uncertain exactly when proceeds would be received so that subsequent reallocations could be carried out. He had expected proceed at the end of the previous week, however the expected proceeds did not arrive. He informed the Board that careful attention would be paid to the matter and as soon as the funds arrived, they would be allocated as planned.

Berry Dunn Auditors to Report in July: Mr. Fleury reported that auditors from Berry Dunn are scheduled to appear at the July meeting to deliver the result of the audit of 2018.

Report of Monthly Cash Balance: Mr. Fleury reported that the cash balance at the end of May, 2019 was \$3.3 million. He explained that the cash account is on track, with an adequate balance, and is projected to remain that way until mid-July. He reported that he would work collaboratively with NEPC to prepare a liquidity schedule for the third quarter of 2019 should that become necessary.

**Report of the Administrative & Accounting Committee:**

Committee Chairman Plourde stated that the next Administrative & Accounting Committee is scheduled for Tuesday, June 18, 2019 at 10:00 a.m.

Chairman Molan asked about the investment reporting from Kayne Anderson.

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Mr. Fleury responded the System receives a very simplistic monthly report from the Kayne Anderson website, which details the ending asset monthly balance.

**Consent Agenda Items:**

Chairman Molan entertained a motion to approve the consent agenda as submitted. The motion was offered by Trustee Gagne and seconded by Trustee Plourde. There were no questions or discussion. The Chairman called the vote and it was all in favor.

**Other Business:**

Mr. Fleury referred to the potential referendum question and stated that he will contact the State and City of Manchester regarding the referendum details and will report back to the Board at the July Board of Trustees meeting.

Attorney Rich stated that he would like to expand on the description of the referendum question and suggested that the Board recess the meeting to meet with counsel.

Chairman Molan recessed the meeting at 8:52 a.m.

Chairman Molan reconvened the meeting at 9:08 a.m.

**Previous Business:**

**Consideration of Appeal of Martha Folopoulos:**

Chairman Molan entertained a motion to enter non-public session pursuant to RSA 91-A:3 II(c). The motion was made by Trustee Gagne and received a second from Trustee Plourde.

Roll Call Vote:

Ayes: Chairman Molan, Trustee Gagne, Trustee Ntapalis, Trustee Plourde

Nays: None

Non-public session began at 9:12 am. and ended at 9:33 am.

Chairman Molan accepted a motion to seal the minutes of the non-public session. The motion came from Trustee Gage with a second from Trustee Ntapalis. The Chairman called the vote and it was all in favor.

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Chairman Molan requested that counsel read the motion. Attorney Rich read the motion as “After due and thorough consideration, the Board votes to uphold the decision of staff in denying the request for retroactive benefits by Martha Folopoulos based upon the evidence

presented at the hearing, and authorizes counsel to prepare, as required by the Administrative Rules, finding of facts and conclusions of law”. The motion was moved by Trustee Gagne and received a second from Trustee Plourde. Chairman Molan called for the vote and it was unanimous.

**Motion to Adjourn:**

Having conducted all the business of the day, Trustee Gagne moved to adjourn the meeting at 9:35 a.m., seconded by Trustee Ntapalis and passed unanimously by all those trustees present.

Respectfully Submitted,

Gerard E. Fleury  
Executive Director