

November 9, 2021
Minutes #590

Minutes of the Board of Trustees' Meeting -1-

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

Present: Trustees: Richard Molan, Matthew Ciechon, Sharon Wickens and Richard Bunker

MECRS Staff: Gerard Fleury, Melanie Murray, Kim Barrett and Suzanne Wilson

Absent: Harry Ntapalis and Mayor Craig

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

Linked via Zoom: Tom Bozoian

Approval of the Minutes of the Previous Board Meeting:

Chairman Molan entertained a motion to approve the previous board meeting minutes of October 12, 2021.

Trustee Bunker moved to approve the minutes of October 12, 2021, seconded by Trustee Ciechon. Motion carried

Approval of the Immediate Meeting Agenda:

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

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

Chairperson Comments:

Chairman Molan welcomed Ms. Melanie Murray to the MECRS as the new Executive Director.

Report of the Executive Director:

Executive Director Transition: First, Mr. Fleury announced that it is Ms. Melanie Murray's first day, in her role as the MECRS's Executive Director, and what better way for her to start than a Board meeting. He stated that he will continue to work part-time, until the end of December and that he anticipates a rapid transfer of responsibilities to Ms. Murray.

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Scheduling of the Administrative & Accounting Committee Meeting: Mr. Fleury referred to the ongoing work of the MECRS's operating budget for 2022. He stated that the A&A Committee will need to schedule a committee meeting to review the budget and to formulate a recommended level of spending for the trustees' consideration at the December 14th meeting of the full board. He noted that he has been informed that Directors and Officers insurance premiums have increased significantly.

MECRS Receives PPCC Recognition Award for Funding Standards: Mr. Fleury informed the Board that for the past 18 years, MECRS has applied for and has been awarded the Public Pension Coordinating Council's Recognition Award for Funding. As of October 18th, he reported that the trend has extended to a 19th year, which means that the funding obligations of the Plan have been met without exception for almost two decades.

Status of Manager Funds and Portfolio Rebalancing: Moving on, Mr. Fleury reported that the manager hiring and portfolio rebalancing schedule, approved at the August Board of Trustees meeting, still has components that need to be finalized. Redemptions from Kabouter are expected to arrive later today which will enable the final part of the rebalancing process of sending a second installment of \$7.5 million to Loomis Sayles Global.

Quorum for February Board Meeting: Mr. Fleury stated that he has received notification from Trustee Bunker that he is unable to attend the February, 2022 meeting of the full Board. Mr. Fleury also noted the unprecedented situation on the status of the upcoming trustee election for citizen member, whereby a write-in votes will determine the next board member. He stated that he simply wanted to create advanced awareness of a possible quorum issue for that month.

Chairman Molan requested that A&A Committee Chairman Bunker, collaborate with Ms. Murray, on scheduling the next A&A meeting, which Chairman Bunker agreed to do.

Report of the Monthly Cash Balance:

Mr. Fleury referred to the Cash Balance Report that was distributed at the start of the meeting and noted the high number of redemptions as well as the periodic distributions and capital calls. He informed the board of the low number of capital calls in October. He reported a cash balance ending October 31, 2021 in the amount of \$7.7 million.

Consent Agenda:

Chairman Molan entertained a motion to accept the Consent Agenda.

Trustee Wickens moved to accept the Consent agenda, seconded by Trustee Ciechon, and passed by all those trustees present.

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Informational Items:

NEPC Flash Report - Mr. Fleury referred to the Flash Report for period ending September 30, 2021, provided by the System's Investment Advisor, New England Pension Consultants. He stated that September is typically a volatile month however the year-to-date column on page 3 of the Flash Report indicates that the Fund is up 7.9%, which leaves the portfolio on target for meeting the earnings assumption for 2021.

Chairman Molan asked Mr. Fleury if he had any concerns regarding the Flash Report.

Mr. Fleury had no concerns with the report, but briefed the Board on a situation of which he was recently informed by investment manager Loomis Sayles. Loomis Sayles now requires a medallion signature guarantee for future distributions, which must come from the Retirement System's custodian, State Street Bank, if the distribution was not completed before a specific date. Mr. Fleury met the distribution deadline, however he was notified that the medallion signature guarantee must still be submitted. Mr. Fleury then indicated that he has contacted NEPC for assistance in resolving this situation, and he will keep the Board apprised on the situation.

Before adjourning the meeting Chairman Molan expressed the Board's thanks and appreciation to Mr. Fleury's ongoing dedication to the Retirement System regarding the transition of the new Executive Director.

Motion to Adjourn:

With no other business to come before the Board, Chairman Molan entertained a motion to adjourn the meeting.

Trustee Ciechon moved to adjourn the meeting at 8:49 a.m., seconded by Trustee Wickens, and passed by all those trustees present.

Respectfully Submitted,

Melanie Murray
Executive Director