

November 9, 2022
Minutes #601

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, Richard Bunker, Donald Pinard and Mathew Ciechon

MECRS Staff: Melanie Murray, Kimberly Barrett and Suzanne Wilson

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

Not Participating: Thomas Bozoian, Sharon Wickens and Mayor Joyce Craig

Approval of the Minutes of the Previous Board Meeting:

Chairman Molan entertained a motion to approve the previous board meeting minutes of October 11, 2022.

Trustee Ciechon moved to approve the minutes of October 11, 2022, seconded by Trustee Pinard. The motion was approved by all others present.

Approval of the Immediate Meeting Agenda:

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

Trustee Bunker moved to approve the immediate meeting agenda, seconded by Trustee Pinard, and approved by all present.

Report of the Executive Director:

Trustee Election: First, Ms. Murray referred to the upcoming Trustee Election on December 8, 2022. She reported that only one candidate, Mr. Michael Carpenter, from the Department of Public Works has entered to run for the position of Employee Representative.

Administrative Budget for 2023: Next, Ms. Murray stated that she has prepared a draft of the 2023 Administrative Budget. She advised that the Administrative & Accounting Committee will need to schedule a meeting, to review the draft and formulate a recommendation for full Board approval, at the meeting of December 13, 2022 in order to have a budget in place for 2023.

MECRS Receives PPCC Recognition Award for Funding Standards: Ms. Murray was pleased to announce that the Retirement System has applied for and been awarded the Public Pension Coordinating Council's Recognition Award for Funding. She stated that this year marks her first submission and the 20th consecutive year for the organization's qualification.

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Portfolio Updates: Moving on, Ms. Murray reported that the subscription agreement and side letter for the MECRS commitment to Top Tier Fund X have been submitted. She stated that she is currently waiting for the executed documents to be returned by Top Tier. She then referred to the October meeting whereby the Board voted to commit \$3 million to TA Realty Fund XIII, subject to evaluation by legal counsel. She noted that the evaluation is currently in process.

Pension Payment Issue: Ms. Murray informed the Board of a situation with a retiree having issues with cashing his pension checks. She stated that the retiree moved to South America before the implementation of the requirement for direct deposit to a U.S. Bank. In years past, the retiree had issues receiving the checks, for which MECRS was able to accommodate a work around with his family. However, recent reports are that the bank in his country has begun refusing to cash the System's checks but has provided no explanation.

Ms. Murray stated that she has been working with the family for the past few months to resolve the issue. Ultimately, she recommended that the retiree open an account with a U.S. Bank and establish direct deposit. As the retiree is not present in the United States, current banking laws are proving to be a hurdle.

After brief discussion, Ms. Murray said that she will keep the board updated on this issue.

In closing her report, Ms. Murray referred to the recent matter, whereby a retiree's direct deposit was sub-verted to a different bank account. She shared with the Board that she recently participated in a Round Table via Zoom where an executive director from another public pension plan brought up the topic. She was surprised to hear that numerous other retirement systems also had an influx of fraud attempts. The participants discussed various preventative security measures that could be put in place in an effort to avoid future attempts. The effort that MECRS implemented, acknowledging changes to direct deposit via telephone or mail, seems to be well received.

Report of the Monthly Cash Balance:

Ms. Murray reported that the cash balance started off the month \$8.5 million, and with contributions and distributions, the end of month balance was slightly over \$8 million and remains quite healthy. She reported that approximately \$6 million from the Kabouter redemption is expected soon.

Administrative & Accounting Committee:

After asking A&A Committee members for their availability, Committee Chairman Pinard scheduled a meeting of the A&A Committee on December 5, 2022 at 9:00, to review the DRAFT 2023 budget.

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Consent Agenda:

Chairman Molan entertained a motion to accept the Consent Agenda items.

Trustee Pinard moved to accept the Consent Agenda, seconded by Trustee Bunker, and passed unanimously by all those trustees present.

Motion to Adjourn:

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

Trustee Pinard moved to adjourn the meeting at 8:44 a.m., seconded by Trustee Ciechon, and passed unanimously by all those trustees present.

Respectfully Submitted,

Melanie Murray
Executive Director