

October 11, 2022
Minutes #600

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, Richard Bunker, Sharon Wickens and Mathew Ciechon

MECRS Staff: Melanie Murray and Kimberly Barrett

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

Not Participating: Thomas Bozoian, Donald Pinard 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 September 13, 2022.

Trustee Bunker moved to approve the minutes of September 13, 2022, seconded by Trustee Ciechon. Trustee Wickens abstained, stating she was not present for the meeting. 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 Ciechon moved to approve the immediate meeting agenda, seconded by Trustee Wickens, and approved by all present.

Report of the Executive Director:

2021 Annual Report and Audit: Ms. Murray stated that the 2021 Annual Report went in the mail last week to all retirees and active members. She confirmed that hard copies had been received by all present.

Trustee Election: Ms. Murray informed the Board that the annual Trustee election will be held this year on December 8th, with a sign-up period the week of October 24th through the 28th. She reminded the Board of one position on the ballot this year, for Employee Representative position currently held by Trustee Bozoian, whose term expires January 1, 2023. Trustee Ciechon indicated that an employee at the Department of Public Works has expressed an interest in the position.

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Administrative Budget for 2023: Ms. Murray informed the Board that she has begun working on the 2023 Administrative Budget, including reaching out to our vendors, many of which are indicating increases. She advised that she attended a recent hearing with HealthTrust, the Health Insurance provider for MECRS. As a small employer, MECRS is pooled with other groups for rating. The expected increase for 2023 is 11.7%, while last year had a decrease of approximately 8%.

Portfolio Updates: Lastly Ms. Murray updated the Board on recent portfolio changes.

In July, the Board voted to liquidate \$3 million from PRISA to reinvest in another real estate fund. She reported that the request was submitted but funds are not expected before December 31st due to the quarterly redemption notice requirement.

In September, the Board voted to invest \$5 million in Top Tier Fund X. Ms. Murray reported the subscription agreement is complete and final details are being addressed in the Side Letter.

In September, the Board voted to liquidate the investment in Kabouter. Ms. Murray advised that the request was made, and those funds are not expected until November 1st.

With the Director's Report complete, Chairman Molan entertained a motion to accept and place on file the 2021 Annual Report and Audit. Trustee Ciechon made the motion, seconded by Trustee Wickens, and approved by all present.

Report of the Monthly Cash Balance:

Ms. Murray reported that September began with a cash balance of over \$8 million and ended the month with a healthy balance of \$8 million. Ms. Murray indicated since school is back in session, the School District payrolls are now reporting, which helps on the Contribution side.

Report of the Investment Committee:

Committee Chairman Bunker reported that the committee met on October 6th to conduct Real Estate investment manager interviews with Alidade Capital, Dalfen Last Mile, and TA Realty, as recommended by the MECRS Investment Consultant at NEPC.

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Committee Chairman Bunker stated that all three fund managers provided an overview of their firms and presentations of their funds and that the interviews were conducted in non-public session. After the completion of the presentations and returning to public session, a motion was offered by Committee Member Molan to make a recommendation to the Board of Trustees that MECRS commit to an investment of \$3 million to TA Realty (Fund XIII) contingent on the review of the investment documents by legal counsel. This drew a second from Committee Member Wickens. The vote was all in favor (Bunker, Molan, Wickens and Ciechon).

Committee Chairman Bunker moved the Investment Committee's recommendation, to commit \$3 million to TA Realty (Fund XIII) after satisfactory review of the subscription documents by legal counsel, seconded by Trustee Wickens, and passed unanimously by all those trustees present.

Consent Agenda:

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

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

New Business:

Employee Performance Evaluations:

At 8:42 a.m. Chairman Molan entertained a motion to enter into non-public session under RSA 91-A:3 II (a). The motion was made by Trustee Bunker, seconded by Trustee Wickens, and passed unanimously by all trustees present.

At 8:48 a.m., the non-public session concluded, Trustee Bunker moved to seal the minutes under RSA 91-A:3 (III), seconded by Trustee Wickens, and passed unanimously by all trustees present.

Chairman Molan suggested the creation of a sub-committee to discuss the establishment of performance evaluation for the Executive Director. The committee would include Trustee, Wickens, Trustee Bunker, and Chairman Molan. Trustee Wickens made the motion to establish the committee as described, with a second from Trustee Ciechon, and passed unanimously by all present.

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Motion to Adjourn:

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

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

Respectfully Submitted,

Melanie Murray
Executive Director