

December 12, 2023
Minutes #614

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, Mathew Ciechon, Michael Carpenter and Sharon Wickens

MECRS Staff: Melanie Murray, Kimberly Barrett and Suzanne Wilson

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

Absent: 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 November 14, 2023.

Trustee Bunker moved to approve the minutes of November 14, 2023, seconded by Trustee Wickens. The motion was approved by all trustees present.

Approval of the Immediate Meeting Agenda:

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

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

Chairman Comments:

Chairman Molan was pleased to report that he was nominated by the Board of Mayor and Alderman to continue serving on the MECRS Board and he stated that his reappointment is scheduled for confirmation on Tuesday, December 19, 2023.

Report of the Executive Director

Outstanding Pension Payments: Ms. Murray first referred to a pensioner residing outside of the United States, who had numerous issues over the years with his pension payments and refused the option of direct deposit. He began having difficulty with his local bank cashing his pension checks, which the System was attempting to resolve with him. He has since passed away and his outstanding payments have been canceled and redistributed to his beneficiary.

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She then updated the Board that years ago, MECRS began requiring retirees to receive their pension payments via ACH, but a small number of participants, (approximately 20) who retired before the requirement, have declined attempts to get them to convert.

Next, Ms. Murray informed the Board that the System's regular semi-annual audits discovered a pensioner whose death was not reported to MECRS and the direct deposits continued beyond the date of death. The System is in the process of attempting to recoup those funds from the family, who claims the funds were not received. The family has reported that the bank account was closed, however the funds have not been returned to State Street, so we are waiting for the family to connect with the bank in resolving this case. Ms. Murray stated that she will keep the board apprised of new developments regarding the issue.

City Software Conversion: Moving on, Ms. Murray stated that the City has been working on the same software conversion that the School District completed earlier this year. The City hopes to have a test file in the new format completed soon.

Trustee Election: Just as reminder Ms. Murray stated that the Trustee election will be held on Thursday, December 14th, with only the incumbent, Mat Ciechon, on the ballot.

Report of the Monthly Cash Balance:

Ms. Murray reported a cash balance amount at the beginning of November with a little over \$8 million and ending with a little over \$8 million. She noted the balance includes the distribution from Searchlight III discussed during November's meeting. So far in December, Ms. Murray reported about \$1 million in capital calls, leaving a still healthy balance.

Trustee Ciechon moved to accept and place on file the Report of the Monthly Cash Balance, seconded by Trustee Pinard and passed unanimously by all those trustees present.

Report of the Administrative & Accounting Committee - Committee Chairman Pinard reported that the Administration & Accounting Committee met on November 14, 2023 to review the draft MECRS Administrative Budget for 2024.

After an overview of the budget request by Ms. Murray and several questions from the Committee, Chairman Pinard stated that a motion was offered by Committee Member Wickens to modify the draft budget to account for a 4% COLA for MECRS staff, to be in line with the amount the City employees received in 2023. The motion was seconded by Committee Member Bunker, and all were in favor.

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Committee Chairman Pinard then reported that Board Chairman Molan moved to recommend that the full MECRS Board ratify the 2024 administrative budget, as amended, in the amount of \$1,138,412. The motion received a second by Committee Member Wickens, and all members were in favor.

Committee Chairman Pinard then made a motion that the full MECRS Board approve the administrative operating budget for 2024 in the amount of \$1,138,412 as recommended by the A&A Committee. Trustee Bunker seconded the motion and the board voted unanimously, all in favor.

Report of the Benefits Committee – Committee Chairman Ciechon stated that there has not been a Benefits Committee meeting however he updated the trustees that he was able to gather contact information on all the union presidents and he continues to work on scheduling a conference room at the Health Department to accommodate the meeting between himself, Executive Director Murray and union representatives to discuss proposed legislation that would strengthen System financial security.

Consent Agenda:

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

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

Next Meeting Schedule:

Chairman Molan stated that the next Board of Trustees meeting is scheduled for Tuesday, January 9, 2024 at 8:30 a.m.

Ms. Murray informed the Board that she and NEPC representative Sebastian Grzejka will be meeting the following week with the incoming Mayor, Jay Ruais for an informational session regarding the Retirement System.

The Board discussed Trustee availability for the February meeting and determined that the meeting would have to be cancelled due to a lack of quorum.

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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 Pinard moved to adjourn the meeting at 8:40 a.m., seconded by Trustee Bunker and passed unanimously by all those trustees present.

Respectfully Submitted,

Melanie Murray
Executive Director