

May 9, 2023
Minutes #607

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, Sharon Wickens, Richard Bunker, Michael Carpenter, and Donald Pinard

MECRS Staff: Melanie Murray, Kimberly Barrett, and Suzanne Wilson

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

Absent: Mathew Ciechon, 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 April 19, 2023.

Trustee Bunker moved to approve the minutes of April 19, 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 Bunker, and approved by all trustees present.

Chairman's Comments:

Chairman Molan informed the Board that later in the meeting under Other Business, he will be requesting an amendment to the MECRS Personnel Policy. He explained that the City of Manchester has designated June 19th, Juneteenth, a Federal Holiday, as a holiday for City employees. Keeping in step with the City's policies, Chairman Molan stated that he will be recommending an amendment to add Juneteenth to the list of holidays and that the MECRS office will be closed.

Report of the Executive Director:

School and City software upgrades – Ms. Murray first reported that she is currently waiting for a file from the School Department to be utilized by the pension maintenance system in updating the Retirement System's payroll import process. She stated that the School Department had encountered issues on their end, so she is hoping to receive that information later in the week.

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Portfolio updates – Ms. Murray stated that after last month's BOT meeting, Rothschild Investments informed the System that they sent nearly \$650 thousand more than the System portfolio was due, and they advised that they would be initiating a return wire request. Ms. Murray explained that she had contacted the System's Investment Consultant, NEPC, who followed up with Rothschild for more information. Rothschild had used the wrong valuation date, she explained, for the proceeds of Retirement System's liquidation, which accounted for the difference. She informed the Board that she still awaits the return request.

Next, Ms. Murray reported that all of the documents for the Boston Trust Walden account have been submitted and the account has been funded. Ms. Murray further explained the ongoing issue with State Street Bank's procedure of authorization of wire transfers and the language barrier of verifications being made by callers from a different country. A State Street representative was notified of the issue and has suggested an electronic solution, whereby the transfer would be initiated and approved electronically. Ms. Murray stated that State Street will be providing a demonstration of the electronic process, which may also be used in submitting the monthly accounts payable batches, with the goal of a much smoother and more efficient process.

2022 Year-end Processes – Ms. Murray informed the Board that the Audit Firm, Berry Dunn has advised that the audit process is going smoothly, and the completion of the audit is ahead of schedule. All the requested documentation has been supplied and the System has not encountered any issues thus far.

Benefit Fairs – Ms. Murray reported that she has attended three out of the four planned Benefit Fairs, hosted by the City. She stated that she manned a table with information and forms available and she spoke with over 60 people at the first Fair, most of whom walked away with a question answered or at least more knowledge about the Retirement Plan. The most popular feature, she stated, seemed to be about the Additional Contribution Program. Ms. Murray felt that it would be beneficial to draft a handout just on that topic. She stated that she believes the Benefits Fair has been a great success and well received so far.

Report of the Monthly Cash Balance – Ms. Murray reported that the cash balance started the month with a little over \$7 million and ended with almost \$23 million. A good portion of that was due to the liquidation from Rothschild, which was not sent out to Boston Trust Walden until May. Referring to the Cash Balance Report she highlighted the liquidation of Rothschild on April 10, 2023 in the amount of \$15,985,263.58. She explained that \$15.3 million will be used to fund Boston Trust Walden and the remaining \$600 thousand will be reimbursed to Rothschild Investments as reported earlier in the meeting.

Consent Agenda:

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

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

New Business:

Update MECRS Investment Objective & Guidelines – Referring to the Investment Objectives & Guidelines included in the Board packets Ms. Murray explained that while working on the MECRS Annual Report she recognized that the investment compositions within the Investment Objectives & Guidelines needed to be updated. She also pointed out adjustments made to some of the benchmarks, which she confirmed with NEPC representative Sebastian Grzejka.

Chairman Molan entertained a motion to approve the amendments to the MECRS Investment Objectives & Guidelines.

Trustee Pinard moved to accept the amendment to the Investment Objectives & Guidelines, seconded by Trustee Bunker and passed by all those trustees present.

Other Business:

Chairman Molan referred to his comments earlier in the meeting, in keeping with the City's Policy, the recommendation to add Juneteenth as a holiday to the MECRS Personnel Policy.

Chairman Molan then entertained a motion to amend the Personnel Policy.

Trustee Wickens moved to add Juneteenth as a holiday to the MECRS Personnel Policy as recommended by Chairman Molan, seconded by Trustee Pinard and passed by all those trustees present.

Informational Items:

NEPC Flash Report – March 2023 - The trustees briefly discussed the Flash Report and Chairman Molan noted the positive performance of the Real Estate/Real Asset Composite.

Trustee Pinard inquired about previous discussion regarding the Benefits Committee's task to review the previously proposed plan changes.

Trustee Wickens stated Benefits Committee Chairman Ciechon will be contacting her for further discussion on the issue.

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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 8:50 a.m., seconded by Trustee Ciechon, and passed unanimously by all those trustees present.

Respectfully Submitted,

Melanie Murray
Executive Director