

September 9, 2025
Minutes #634

Minutes of the Board of Trustees' Meeting -1-

Call to Order: Chairman Molan called the meeting to order at 8:31 a.m.

Present: Trustees: Richard Molan, Peter Capano, Mathew Ciechon, Sharon Wickens and Richard Bunker

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

Absent: Mayor Jay Ruais

Excused: Michael Carpenter

Also in Attendance: Attorney John Rich, Jr. – McLane Middleton

Linked Remotely: Mr. Sebastian Grzejka - NEPC

Approval of the Minutes of the Previous Board Meeting:

Chairman Molan entertained a motion to approve the previous Board meeting minutes of August 12, 2025.

Trustee Wickens moved to approve the minutes of August 12, 2025, seconded by Trustee Ciechon, and passed by all those Trustees 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 Wickens, and passed by all those Trustees present.

Chairperson Comments:

As an interesting informational item, Chairman Molan shared that in Nashua, New Hampshire the Board of Mayor and Aldermen is responsible for the selection of money managers for their pension funds.

Report of the Executive Director:

Pension Administration Software - Ms. Murray updated the Board on the ongoing issue between the System's software provider and the developer/support provider. She informed the Trustees that she has received notice that their court case is proceeding and the software provider has expressed optimism.

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Ms. Murray stated she was pleased that MECRS has not experienced any issues or concerns with support.

Ms. Murray mentioned that she recently joined a focus group, comprised of plans, who are either currently implementing or looking to implement new systems, to get a sense of what their recent experiences have been. She stated that it was very informative, from the consultants they hired to assist with assessing needs and writing RFPs to contracts and implementation.

Annual City Employee Barbecue - Ms. Murray informed the Board that the City is holding their annual Employee Appreciation Barbecue on September 17th from 11:00 a.m.-2:00 p.m. at McIntyre Ski Area, and MECRS has accepted an invitation to once again host a table, along with their other benefit providers.

City Retirement Workshops – Moving on, Ms. Murray stated that the City is working on holding retirement workshops to include presentations on final payouts, insurance options and process, the retirement process (MECRS), as well as a Medicare overview. The session will be in person at Department of Public Works on October 21st. The City is also planning on recording the workshop for future viewing by employees.

Administrative Assistant Process – In closing her report, Ms. Murray informed the Trustees that she posted the Administrative Assistant vacancy to the City Departments, but had received no applicants. Subsequently, she followed up with a job posting on Indeed.com and received a deluge of applicants, over 150 before pausing the posting. At the time she wrote her report, Ms. Murray was finishing up interviews of the chosen candidates. Ms. Murray was pleased to report that the interview process has been completed, and the position was offered to and accepted by Ms. Karianne MacIntosh. Ms. MacIntosh will begin working with Ms. Wilson on October 6th through Ms. Wilson's retirement on October 31, 2025.

Report of Monthly Cash Balance:

Ms. Murray reported that the month of August began with \$9.6 million. There had been a fair number of large distributions, as well as a few capital calls, resulting in a healthy end of month balance of just over \$9 million.

Chairman Molan entertained a motion to accept the Cash Balance Report.

Trustee Bunker moved to accept the Cash Balance Report and place on file. Trustee Ciechon seconded the motion and it was passed unanimously by all those Trustees present.

Report of the Administrative & Accounting Committee:

Committee Chairman Ciechon stated that the Administration & Accounting Committee met on August 27, 2025.

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Committee Chairman Ciechon reported that the Committee first reviewed the COLA gain sharing provision, with emphasis on the Target Rate of Return. After some conversation regarding the history and implementation of the current Rule, the Committee decided to take no action.

The second item on the agenda, he reported, involved language in the Personnel Policies, Section VII, Benefits. The Executive Director provided suggested language for the vacation and health insurance, mirroring those of the City. After discussion and clarification of the language, Committee Chairman Ciechon reported that a motion was made by Trustee Capano and seconded by Trustee Wickens to recommend language changes to the ME CRS Board, and all were in favor.

Lastly, Committee Chairman Ciechon reported that the Committee discussed Bylaw changes recommended by Counsel to address distribution of written materials. Modifications were recommended to Articles 9.03 and 12.01. Trustee Molan moved that the Bylaw changes be recommended to the ME CRS Board, with Trustee Wickens seconding the motion, after which all were in favor.

As Chairman of the Committee, Committee Chairman Ciechon moved to approve the Administration & Accounting Committee recommendations as stated. The motion received a second from Trustee Capano.

Ms. Murray stated that the Bylaw amendments as well as Personnel Policy language modifications were included in the agenda packets as Previous Business items, if the Trustees wish to reference or review any of the recommended changes.

Chairman Molan asked if there were any questions or concerns regarding the recommended changes. There being none, the motion passed unanimously by all those Trustees present.

Ms. Murray referenced the Bylaw requirement contained in paragraph 14.06 that the proposed amendments must be posted thirty (30) days before their adoption in order to afford interested persons an opportunity to submit data and make their views known either orally or in writing. The Public Hearing will be held before the Board of Trustees meeting on October 14, 2025.

Consent Agenda:

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

Trustee Wickens moved to accept the Consent Agenda, seconded by Trustee Capano, and passed by all those Trustees present.

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New Business:

NEPC Monthly Performance Report, July 31, 2025 – Mr. Grzejka turned the Trustees' attention to the Net Flash Report included in their agenda packet. He was pleased to report very good performance, 7.6% year-to-date with overall very good results from the majority of the investment managers. He stated that August end of month should also prove to be positive. He reviewed the Domestic Equity Composite as well as the International and Global Equity Composites, all significantly outperforming.

Boston Trust, he explained, is slightly behind the benchmark. They are a quality focused manager and due to the markets run-off over the summer, Boston Trust is not positioned to keep up in the current environments but has shown the propensity to protect in periods of some volatility. He stated, no concern yet, but NEPC will continue to closely monitor their performance.

Moving on to the next page of the presentation, Mr. Grzejka reported that Fixed Income is also showing positive results, 4.3% year-to-date with positive performance from the two credit managers, Loomis Sayles and Arena Short Duration High Yield manager. As we look forward, Mr. Grzejka stated, if cash is needed, we could take a little off the top of each manager if re-balancing is needed.

Referring to the Real Estate/Real Asset Composite, on the whole, Mr. Grzejka stated everything is in line with expectations.

As always there is some volatility on the horizon, Mr. Grzejka stated, with September performance being quite interesting. The bad news, from an economic perspective is there is clearly an impact on hiring. The good news is if that is the case, the Fed is expected to cut rates.

Trustee Bunker referred to the past few months and the increase of large commercial real estate purchases. He asked Mr. Grzejka if this is a sign that commercial real estate is turning around after the decline in the last four or five years.

Using NEPC's office building as an example, Mr. Grzejka responded that when the NEPC moved into the building just over two years ago, it was about 60% vacant, and currently it is fully leased. He stated that this is not widespread however, but he is cautiously optimistic. Mr. Grzejka continued to provide examples of different types of real estate, as well as the demand and how each is affected.

In terms of reporting, Mr. Grzejka referred to the 2 sets of reports, net and gross of fees, provided to the Board. He stated NEPC's recommendation is to continue providing the net report but also adding a gross of fee composite line over the net of fee composite line, which will provide a look at long-term history of the Plan and the 7% return since 1996.

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Chairman Molan thanked Mr. Grzejka for his presentation and the remote session ended.

Attorney Rich then referred to Chairman Molan's inquiry last month, regarding liability in reporting, referencing the inception date net reporting, and whether to continue to report from 1996 or from 2007, given the information provided by NEPC.

Attorney Rich stated that he could not locate any authority governing public pension funds on what duration of time performance should be reported. He noted that the NHRS reports 1, 3, 5, and 25-year returns. The most important component of the reporting is to enable the Board to oversee its investment consultant, NEPC.

Chairman Molan stated that moving forward he is satisfied with the reporting changes as explained, and all of the Trustees agreed.

Motion to Adjourn:

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

Trustee Bunker moved to adjourn the meeting at 8:54 a.m., seconded by Trustee Capano, and passed by all those Trustees present.

Respectfully Submitted,

Melanie Murray
Executive Director