

**MASSACHUSETTS WATER RESOURCES
AUTHORITY EMPLOYEES' RETIREMENT
BOARD MEETING
OCTOBER 29, 2015**

A meeting of the MWRA Employees' Retirement Board was held on October 29, 2015 at 10:00 a.m. at the offices of the MWRA, 2 Griffin Way, Chelsea, MA. The following Board Members were present: Thomas J. Durkin, James M. Fleming, Joseph C. Foti, Kevin McKenna, and Frank Zecha. Carolyn Russo, Executive Director and Julie McManus, Retirement Coordinator, were also present. Attorney Thomas Gibson and Attorney Kimberly Fletcher were present as Board Counsel. Douglas Moseley was present from New England Pension Consultants (NEPC) as Investment Consultant. Chairman Fleming called the meeting to order at 10:02 a.m.

- 1) Call the meeting to order
- 2) Committee Reports
By-Laws Committee: No Report
Human Resources Committee: No Report
Special Committee, Stipend: No Report
Job Review Committee: No Report
- 3) Approval of Executive Director's one month COBRA payment – VOTE

Discussion. Mr. Fleming reminded the Board of his hiring negotiations with Ms. Russo and the agreement that the Board would pay the one month COBRA to cover her health insurance for the waiting period for the Group Insurance Commission plan.

On motion by Kevin McKenna and seconded by Thomas J. Durkin:
VOTED
to approve the Executive Director's one month COBRA payment. 5-0

Mr. Foti stepped out of the meeting

- 4) Approval of the Minutes 9/24/15 – VOTE

On motion by Thomas J. Durkin and seconded by Frank Zecha:
VOTED
to approve the Minutes 9/24/15 as presented. 4-0
- 5) Approval of the 10/2015 Warrant – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
to approve the 10/2015 Warrant as presented. 4-0

6) Approval of Monthly Transfers 10/2015 – VOTE

On motion by Thomas J. Durkin and seconded by Frank Zecha:

VOTED

to approve the Monthly Transfers 10/2015 as presented. 4-0

7) Acknowledgment of Retirement application under G.L. c 32 §5 – VOTE

Retirement Board Staff has verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefit.

Dalia DeVincentis

DOR 10/3/2015

On motion by Kevin McKenna and seconded by Thomas J. Durkin:

VOTED

to acknowledge Dalia DeVincentis' §5 retirement DOR 10/3/2015. 4-0

Mr. Foti returned to the meeting

8) Buyback: Elizabeth Homa 2 years, 1 month UMass Amherst employment – VOTE

Discussion. The Board questioned why Ms. Homa was excluded from membership in the State Retirement System as her employment records seem to indicate that she was a fulltime employee. Staff confirmed that a request had been sent to the State Retirement Board for acceptance of liability which was declined. Mr. Zecha asked that the item be tabled and Staff send another inquiry to the State Retirement Board for further explanation as to why Ms. Homa was not eligible for membership.

On motion by Thomas J. Durkin and seconded by Frank Zecha:

VOTED

to table the item of Elizabeth Homa's buyback of UMass Amherst employment. 5-0

9) Approval of one month creditable service for Debra Kenney for the month of December 2014 and one month of creditable service for the month of January 2015 pursuant to G.L. c. 32, s. 4(1)(c), which allows the Board to grant up to one month creditable service without contribution – VOTE

On motion by Thomas J. Durkin and seconded by Frank Zecha:

VOTED

to approve one month creditable service for Debra Kenney for the month of December 2014 and one month of creditable service for the

month of January 2015 pursuant to G.L. c. 32, s. 4(1)(c), which allows the Board to grant up to one month creditable service without contribution. 5-0

- 10) Town of Concord request for acceptance of liability for Alexandra Rooney, MWRA contract employee 5/14/2011-8/31/2011 – VOTE

Discussion. The sense of the Board was since Ms. Rooney was not eligible for membership nor erroneously excluded from membership in the MWRA Employees' Retirement System as a contract employee and being currently a member in the Concord Retirement System, that Concord Retirement Board should accept liability for this contract employment. Decision was made to wait until Attorney Gibson arrived to offer his opinion.

On motion by Frank Zecha and seconded by Kevin McKenna:

VOTED

to table the item of the request for acceptance of liability from Concord Retirement re. Alexandra Rooney. 5-0

- 11) Approval of 2016 Budget – VOTE

On motion by Thomas J. Durkin and seconded by Frank Zecha:

VOTED

to approve the 2016 Budget as presented. 5-0

Mr. Durkin thanked Ms. Russo for all her work on preparing the 2016 Budget.

- 12) Approval of contract extensions – VOTE
- a) State Street
 - b) PTG
 - c) Labaton Sucharow

On motion by Thomas J. Durkin and seconded by Kevin McKenna:

VOTED

to approve contract extensions for State Street, PTG, and Labaton Sucharow. 5-0

- 13) Board Education Update – The Board reviewed PERAC's September 30, 2015 education update and confirmed that all Board Members are in compliance for 2015 and ongoing.

Mr. Foti left the meeting at 10:37 a.m.

14) Manager Due Diligence Presentations/Summaries

The following managers underwent annual investment manager reviews pursuant to 840 CMR 16.07. The managers presented performance and investment reports detailing the managers' activities which the Board reviewed.

Foundry – via telephone
PineBridge – via telephone

The Board reviewed and compared the managers' performance with the Retirement System's investment goals and policies. The Board ensured that comprehensive written quarterly reports were filed with the Board and with PERAC and that these reports included a review of investment performance and relative performance, a review of the System's investments, and a report on the investment managers' current investment outlook or forecast as well as strategy for the future and key personnel staffing changes.

The Board determined that the investment managers continue to operate in a manner represented when retained and outlined in the agreement between the Board and the manager.

15) Presentation by Douglas Moseley/NEPC

a) Large Cap Growth Manager Search – VOTE

Discussion. Upon the recommendation and concurrence with NEPC, the following Large Cap Growth Managers will make presentations at the November Board meeting: Polen Capital, Westfield Capital, Jensen, and Intech.

On motion by Thomas J. Durkin and seconded by Frank Zecha:

VOTED

to accept NEPC's recommendation and have Large Cap Growth Manager presentations from Polen Capital, Westfield Capital, Jensen, and Intech. 4-0

b) Large Cap Value Manager Search – to be discussed at next month's meeting

c) September 30, 2015 Flash Report

d) 2015 Work Plan

- 16) Attorney Thomas Gibson/Legal Update –
- a) Stanton DALA Appeal – Ramon Stanton First Pre-Hearing Memorandum due on or before December 15, 2015
 - b) Ponder DALA Update – appeal is pending
 - c) Vezina DALA Update – appeal is pending
 - d) Disability Status Update
 - e) Military Update – Attorney Gibson stated that Staff was contacted by the Authority that Barry Connolly had notified the Authority that he was resigning his position retroactive to October 1, 2014. It was noted that Mr. Connolly was on military leave since June 2006 and since he never returned to employment at the Authority, he would not be entitled to creditable service after 2006. Mr. McKenna questioned whether or not the Board should reimburse the Authority for the military appropriation paid to the Board on Mr. Connolly's behalf since 2006, and Attorney Gibson replied that the money should be paid back to the Authority.
 - f) Attorney Gibson said that he had spoke with Frank Valeri from the Mass. Retirees Association and that Mr. Valeri thanked the Board for its votes to increase the COLA Base, the 12(2)(d) minimum allowance, and 101 minimum allowance.

Mr. Fleming thanked Attorney for his legal presentation at the October MACRS Conference and for sending the presentation out to the Board.

The Retirement Board was presented with the following documents at the meeting:

- Foundry Presentation
- PineBridge Presentation
- NEPC Large Cap Growth Manager Search
- NEPC Large Cap Value Manager Search
- NEPC Flash Report as of 9/30/2015
- NEPC 2015 Work Plan

The Retirement Board reviewed the following informational documents:

- PERAC MEMO #21/2015 re. Mandatory Retirement Board Member Training – 4th Quarter 2015
- NEPC Market Thoughts 3rd Quarter 2015
- Permal Commentary
- Loomis Sayles 3rd Quarter 2015 Proxy Voting
- Labaton Sucharow 2nd Quarter 2015

The meeting was adjourned at 1:38 p.m. The next regularly scheduled meeting of the MWRA Employees' Retirement Board will be held **Thursday, November 19, 2015 at Massachusetts Water Resources Authority, 2 Griffin Way, Chelsea, Conference Room 2D, 10:00 a.m.**

James M. Fleming, Elected Member




Kevin McKenna, Elected Member

Joseph C. Foti, Ex Officio



Thomas J. Durkin, Appointed Member



Frank Zecha, Fifth Member