

**MASSACHUSETTS WATER RESOURCES
AUTHORITY EMPLOYEES' RETIREMENT
BOARD MEETING
DECEMBER 17, 2015**

A meeting of the MWRA Employees' Retirement Board was held on December 17, 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, and Kevin McKenna. Frank Zecha entered while the meeting was in progress. Carolyn Russo, Executive Director, and Julie McManus, Retirement Coordinator, were also present. Attorneys Thomas Gibson and Kimberly Fletcher were present as Board Counsel. Sebastian Grzejka and Donna Szeto were present from New England Pension Consultants (NEPC) as Investment Consultant. Chairman Fleming called the meeting to order at 10:20 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) Mr. Foti requested that Staff review the Board of Directors' meeting dates for 2016 and, if possible, reschedule Retirement Board meetings which have been scheduled to occur in the same week.

- 4) Approval of the Minutes 11/19/15 – VOTE

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

VOTED

to approve the Minutes 11/19/15 as presented. 2-0, with Mr. Fleming and Mr. Foti abstaining

- 5) Approval of Warrants – VOTE

a)* Warrant 11-15A

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

VOTED

to approve the 11-15A Warrant as presented. 4-0

b) Warrant 12-15

On motion by Thomas J. Durkin and seconded by Joseph C. Foti:

VOTED

to approve the 12-15 Warrant as presented. 4-0

6) Approval of Monthly Transfers 12/2015 – VOTE

On motion by Thomas J. Durkin and seconded by Joseph C. Foti:

VOTED

to approve the Monthly Transfers 12/2015 as presented. 4-0

Mr. Zecha entered the meeting at 10:24 a.m.

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 applicant to be eligible for such benefit.

Consuelo Martinez

DOR 11/13/2015

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

VOTED

to acknowledge Consuelo Martinez's §5 retirement DOR 11/23/2015. 5-0

8) Approval of one month creditable service for Dennis Vargus for the month of August 2009 and one month of creditable service for the month of February 2010 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 Kevin McKenna and seconded by Joseph C. Foti:

VOTED

to approve one month creditable service for Dennis Vargus for the month of August 2009 and one month of creditable service for the month of February 2010 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

9) Social Security education for members – DISCUSSION

Mr. Durkin stated over the last several months he has been asked questions about Social Security by co-workers, and having been intrigued by the presentation given at MACRS by the Social Security consultant utilized by Middlesex Retirement, he wondered if this Board

should look into hiring a Social Security consultant being mindful of the cost of such services. Mr. McKenna stated that he also gets asked questions about Social Security by members. Mr. Fleming agreed that there is a need for Social Security education and asked that this item be tabled until Attorney Gibson arrives later in the meeting.

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

VOTED

to table this item until later in the meeting. 5-0

10) Boston Company Transfer to Schroeder – VOTE

Discussion. Mr. Grzejka stated that he contacted the Public Employees Retirement Administration Commission (PERAC) after the Board's voted in November to terminate its relationship with The Boston Company and to accept NEPC's recommendation and move The Boston Company's funds into an index fund until a replacement can be found and PERAC suggested the Board hold the assets in cash or invest them in the PRIT Fund until the RFP process has been completed. NEPC's recommendation is to temporarily house the assets in the Schroder International Alpha Fund until the Board hires another manager for that asset class.

On motion by Frank Zecha and seconded by Joseph C. Foti:

VOTED

to accept NEPC's recommendation and temporarily house The Boston Company assets in the Schroder International Alpha Fund until the Board hires another manager for that asset class. 5-0

11) Large Cap Value Equity Finalists' Presentations

- a) Coho Partners
- b) Lyrical Partners
- c) O'Shaughnessy Asset Management
- d) MFS

12) Presentation by Douglas Moseley/NEPC

- a) Large Cap Value Equity Search Finalists – VOTE

Discussion. Mr. Fleming commended NEPC for bringing in some smaller firms to make presentations.

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

VOTED

to hire Coho Partners as Large Cap Value Equity Manager based upon

their presentation, investments returns, and the recommendation from New England Pension Consultants and to terminate the Board's relationship with MFS. 5-0

- b) Flash Report as of 11/30/2015
- c) 2015/2016 Work Plan
- d) Cerberus – in response to a recent news report about a gun control group urging shoppers to boycott Cerberus-owned companies due to its ownership of gun companies, Mr. Grzejka stated that the real estate fund the Board is invested in does not own any of those companies.

Mr. Foti left the meeting at 1:05 p.m.

16) Attorney Thomas Gibson/Legal Update –

- a) Stanton DALA Appeal – awaiting hearing which probably will be in February
- b) Ponder DALA Update – appeal is pending at CRAB
- c) Vezina DALA Update – appeal is pending
- d) Disability Status Update
- e) David Jackson 91A – Staff was notified by PERAC that Mr. Jackson had excess earnings for 2014 and will notify him that his retirement allowance will be suspended until the overpayment is recouped. If Mr. Jackson asks for a hearing, Attorney Fletcher will act as the Hearing Officer as she has in the past. Ms. Russo noted that Mr. Jackson had failed to report a W-2 on his tax return.

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

VOTED

Remove the item of Social Security education for members from the table. 4-0

Discussion. Attorney Gibson stated that Middlesex Retirement Board has hired a retired Social Security employee to provide Social Security education to its members and noted that the Social Security representative who has made presentations for this Board in the past will be retiring soon and suggested that Board reach out to him to see if he would have any interest in working with the Board after he retires.

18) Mr. Fleming asked for a moment of silence for Dave Whelan, Budget Manager at the Authority, who died on December 16, 2015.

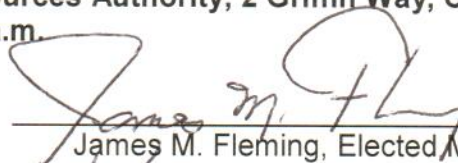
The Retirement Board was presented with the following documents at the meeting:

Coho Partners Presentation
 Lyrical Partners Presentation
 O'Shaughnessy Presentation
 MFS Presentation
 NEPC Large Cap Value Search Finalists
 NEPC Flash Report as of 11/30/2015
 NEPC 2015/2016 Work Plan

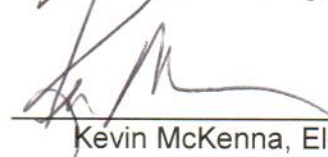
The Retirement Board reviewed the following informational documents:

PERAC MEMO #25/2015 re. Tobacco Company List
 PERAC MEMO #26/2015 re. 2015 Disability Retiree Data
 PERAC Pension News
 PRIM Named Best in Innovation
 MFS Proxy Voting 3rd Qtr 2015
 Berman DeValerio Monitoring Report 3rd Qtr 2015
 Berman DeValerio Settlement Report 3rd Qtr 2015
 Robbins Gellar Settlement Report 11/27/2015
 Robbins Gellar Portfolio Monitoring Report 11/27/2015
 Milberg Portfolio Monitoring Report 3rd Qtr 2015

The meeting was adjourned at 1:53 p.m. The next regularly scheduled meeting of the MWRA Employees' Retirement Board will be held **Thursday, January 28, 2016 at Massachusetts Water Resources Authority, 2 Griffin Way, Chelsea, Conference Room 2D, 10:00 a.m.**



 James M. Fleming, Elected Member



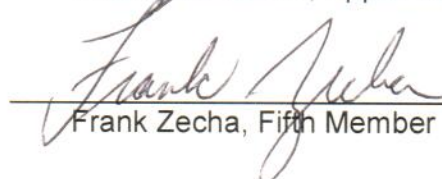
 Kevin McKenna, Elected Member



 Joseph C. Foti, Ex Officio



 Thomas J. Durkin, Appointed Member



 Frank Zecha, Fifth Member