

**MASSACHUSETTS WATER RESOURCES
AUTHORITY EMPLOYEES' RETIREMENT
BOARD MEETING
SEPTEMBER 25, 2014**

A meeting of the MWRA Employees' Retirement Board was held on September 25, 2014 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, Kevin McKenna and Frank Zecha. Joseph C. Foti was absent. Sheryl C. Trezise, Executive Director, and Julie McManus, Retirement Coordinator, were also present. Attorney Thomas F. Gibson and Kimberly Fletcher were present as Board Counsel. Sebastian Grzejka was present from New England Pension Consultants (NEPC) as Investment Consultant. Chairman Fleming called the meeting to order at 10:15 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

Increase to COLA Base: No Report
Section 101 Survivors: No Report
12(2)(d): No Report

- 3) a) Approval of the Minutes 8/28/14 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
to approve the Minutes 8/28/14 as presented. 4-0

b) Approval of the Executive Session Minutes 7/31/2014 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
to approve the Executive Session Minutes 7/31/2014. 4-0

- 4) Approval of the Warrant 9/2014 – VOTE

On motion by Kevin McKenna and seconded by Thomas J. Durkin:
VOTED
to approve the Warrant 9/2014 as presented. 4-0

- 5) Approval of Monthly Transfers 9/2014 – VOTE

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

VOTED

to approve the Monthly Transfers 9/2014 as presented. 4-0

- 6) Approval of Bank Reconciliation 8/2014 – VOTE

On motion by Frank Zecha and seconded by Kevin McKenna:

VOTED

to approve Bank Reconciliation 8/2014. 4-0

- 7) Acknowledgment of July 2014 Cash Books – VOTE
(Trial Balance; Budget; Cash Receipts; Cash Disbursements;
Adjustments)

On motion by Frank Zecha and seconded by Kevin McKenna:

VOTED

to Acknowledge July 2014 Cash Books. 4-0

- 8) Board Education – FYI

- a) Board Education Update
- b) Letter from Tom O'Donnell/PERAC re. Board Education
- c) Upcoming Educational Courses Offered

- 9) Travel: 60th annual Employee Benefits Conference, Sunday, October 12
– Wednesday, October 15, 2014, Boston, MA – VOTE

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

VOTED

to approve travel by Board and Staff to 60th annual Employee Benefits
Conference, Sunday, October 12 – Wednesday, October 15, 2014,
Boston. 4-0

- 10) Acknowledgement of retirement applications pursuant to 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.

Houte Yang	DOR 8/16/2014
Leon Lataille	DOR 9/6/2014
Cynthia Lynch	DOR 9/8/2014

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

VOTED

to acknowledge retirement applications as listed above pursuant to G.L. c.
32 § 5. 4-0

- 11) Approval of 12(2)(d) Retirement Application for Deborah Vento, survivor
of Anthony Vento DOD 7/21/2014 – VOTE

On motion by Frank Zecha and seconded by Kevin McKenna:

VOTED

to approve 12(2)(d) Retirement Application for Deborah Vento, survivor of Anthony Vento DOD 7/21/2014. 4-0

12) a) Joseph Smith Section 7 Retirement Hearing

Mr. Smith attended and opted to enter into Executive Session for the purpose of discussing the physical health of the applicant.

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

VOTED

to enter into Executive Session at 10:34 a.m. for the purpose of discussing the physical health of the applicant. 4-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

b) Robin Koukias Section 7 Retirement Hearing

Ms. Koukias attended with her attorney Dan Napolitano and opted to remain in Executive Session for the purpose of discussing the physical health of the applicant.

On motion by Frank Zecha and seconded by Kevin McKenna:

VOTED

to return to Open Session 11:31 a.m. 4-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

After review of the medical and non-medical evidence, including the Authority's decision to accept liability for the applicants' reported injuries and disability under the workers' compensation law, it would appear that the members' applications satisfy the legal requirement for an award of accidental disability.

Mr. Fleming stated that the record should reflect that the Board voted in Executive Session to grant Joseph Smith and Robin Koukias Section 7 Retirements.

13) Attorney Thomas F. Gibson/Legal Update –

- a. Letter from PERAC to NEPC re. Alcentra. Mr. Grzejka stated that NEPC is composing a response.
- b. Ramon Stanton – DALA Appeal re. Section 7 denial
- c. Military Leave – awaiting PERAC's opinion
- d. Robert Ponder DALA Update
- e. Disability Status Update

14) NEPC Manager Summaries for September Meeting

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

PineBridge (phone)
Lee Munder
Landmark (phone)

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 managers.

15) Presentation by Sebastian Grzejka/NEPC

- a) August 2014 Flash Report
- b) Private Equity Fundraising
- c) Convertible Bonds
- d) Rebalance Recommendation – VOTE Discussion.

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

VOTED

to accept NEPC's Rebalance Recommendation as follows: withdraw \$1,000,000.00 from MFS and \$1,000,000.00 from Intech and hold in cash for System's expenses and capital calls. 4-0

- e) Global Asset Allocation Search – Mr. Grzejka stated that he would have the GAA Search Book at next month's meeting for the Board's review.
- f) CalPERS decision to remove Hedge Funds from its portfolio – Mr. Grzejka stated that Hedge Funds were only about 1% of CALPERS portfolio.
- g) 2014 Work Plan

- h) In a follow-up to Mr. Fleming's question regarding the System's net gains in 2013, Mr. Grzejka stated that it translated into about \$70,000,000.00.

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

PineBridge Presentation
 Lee Munder Presentation
 Landmark Presentation
 NEPC Manager Summaries for September Meeting
 NEPC August 2014 Flash Report
 NEPC Rebalance Recommendation
 NEPC 2014 Work Plan
 NEPC re. CalPERS recent decision to remove Hedge Funds from its portfolio
 NEPC Global Asset Allocation
 PERAC letter to NEPC re. Alcentra European Direct Lending Fund

The Retirement Board reviewed the following informational documents:

PERAC Memo #30: Tobacco Company List
 MACRS Fall 2014 Conference Agenda
 PERAC Letter re. Ascent Venture Partners, VI, L.P.
 Hedge fund assets up 15% on big inflows, strong returns
 Industry White Papers – Retirement Plan Landscape May be Stabilizing
 MASS Retirees "WEP Reform Talks Ramp Up"
 Labaton Sucharow 2nd Quarter 2014
 Robbins Geller Settlement Report 8/29/2014
 Robbins Geller Monitoring Report 8/29/2014

The meeting was adjourned at 1:59 p.m. The next regularly scheduled meeting of the MWRA Employees' Retirement Board will be held **Thursday, October 30, 2014 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

ABSENT

Joseph C. Foti, Ex Officio


Thomas J. Durkin, Appointed Member


Frank Zecha, Fifth Member

James M. Farley, Elected Member

Kevin McKenna, Elected Member

ABSENT

Joseph C. Foll, Ex Officio