

**MASSACHUSETTS WATER RESOURCES
AUTHORITY EMPLOYEES' RETIREMENT
BOARD MEETING
OCTOBER 30, 2014**

A meeting of the MWRA Employees' Retirement Board was held on October 30, 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, Joseph C. Foti, and Kevin McKenna. Frank Zecha arrived while the meeting was in progress. 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 10:07 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- Member Daniel Landers sent a letter asking if there is a discussion to raise the COLA base.
Section 101 Survivors: No Report
12(2)(d): No Report

- 3) Step increases paid effective October 27, 2014 for the Retirement Coordinator and Executive Secretary as previously approved by the Board
- 4) a) Approval of the Minutes 9/25/14 – VOTE

Discussion. Mr. Durkin would like the minutes to be amended to include the following wording with regards to the approval of the Accidental Disability Retirements: "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."

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

VOTED

to approve the Minutes 9/25/14 as amended. 4-0

- b) Approval of the Executive Session Minutes 9/25/2014 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
 to approve the Executive Session Minutes 9/25/2014. 4-0

- 5) Approval of the Warrant 10/2014 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
 to approve the Warrant 10/2014 as presented. 4-0

- 6) Approval of Monthly Transfers 10/2014 – VOTE

On motion by Thomas J. Durkin and seconded by Joseph C. Foti:
VOTED
 to approve the Monthly Transfers 10/2014 as presented. 4-0

- 7) Approval of Bank Reconciliation 9/2014 – VOTE

On motion by Kevin McKenna and seconded by Joseph C. Foti:
VOTED
 to approve Bank Reconciliation 9/2014. 4-0

- 8) a) Acknowledgment of August 2014 Cash Books – VOTE
 (Trial Balance; Budget; Cash Receipts; Cash Disbursements;
 Adjustments)

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
 to Acknowledge August 2014 Cash Books. 4-0

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

On motion by Thomas J. Durkin and seconded by Joseph C. Foti:
VOTED
 to Acknowledge September 2014 Cash Books. 4-0
 Mr. Durkin commended Ms. Trezise for getting the Cash Books caught up.

- 9) 2015 Budget – VOTE

Discussion. Mr. Durkin questioned the increase of 8.01% over the 2014 Budget and Ms. Trezise replied that the legal fees have increased due to the hiring of new managers and the amount of time Attorney Gibson spends on those documents, the 2015 Budget includes a full actuarial

study, and an increase in disability applications translating into more medical record copying fees.

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

VOTED

to approve 2015 Budget. 4-0

- 10) 2014 PPCC (Public Pension Coordinating Council) Award – The MWRA Employees' Retirement System received the 2014 PPCC Award "In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards."

- 11) 2015 Meeting Dates – VOTE

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

VOTED

to approve 2015 Meeting Dates. 4-0

- 12) Board Education – it was noted that all Board Members are in compliance with PERAC educational requirements.

- 13) Travel: US Markets Conference, November 19, Boston – VOTE

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

VOTED

to approve travel by Board and Staff to US Markets Conference, November 19, Boston. 4-0

- 14) a) Acknowledgement of retirement applications pursuant to G.L. c. 32 §5 & §12(2)(d) – VOTE

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

Deborah Vento, Spouse of Anthony Vento DOD 7/21/2014

Timothy D'Ortona DOR 10/6/2014

Richard Udden DOR 9/22/2014

Margareth Jackson DOR 9/29/2014

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

VOTED

to acknowledge retirement applications as listed above pursuant to G.L. c. 32 §5 & §12(2)(d). 4-0

- b) Approval of 12(2)(d) Retirement Application for Shin Ling Lau, survivor of Chin Chiu Lau, DOD 9/15/2014 and 12(2)(d) Retirement Application for Donna Scoville, survivor of William J. Scoville, Jr., DOD 10/7/2014 – VOTE

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

VOTED

to approve 12(2)(d) Retirement Application for Shin Ling Lau, survivor of Chin Chiu Lau, DOD 9/15/2014 and 12(2)(d) Retirement Application for Donna Scoville, survivor of William J. Scoville, Jr., DOD 10/7/2014. 4-0

- 15) Refunds: Lawrence P. Keenan – VOTE

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

VOTED

to approve Lawrence P. Keenan's refund. 4-0

Frank Zecha entered the meeting at 10:50 a.m.

- 16) Informational Presentation: Nu Paradigm, Mark Bergin

- 17) Presentation by Sebastian Grzejka/NEPC

- a) Global Asset Allocation – VOTE
Discussion.

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

VOTED

to invite Wellington, PIMCO, Putnam, and William Blair to present to the Board at its December meeting regarding Global Asset Allocation. 5-0

- b) September 2014 Flash Report

Chairman Fleming called for a moment of silence in honor of the passing of Mayor Thomas Menino.

- c) Rebalance Recommendation – VOTE
Discussion. Mr. Grzejka stated that he would have a rebalance recommendation for the Board at its November meeting.

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

VOTED

to table NEPC's rebalance recommendation until November's meeting. 5-0

- d) 2014 Work Plan

- e) Boston Capital. Mr. Grzejka stated that Boston Capital's fund is winding down and that he expects it to close out by year end. Mr. Grzejka will provide the Board with a letter stating how much money is currently in the portfolio.
- f) Alcentra. Mr. Grzejka stated that the paperwork for this fund is nearly complete and that Attorney Gibson should have a final draft by this afternoon.
- g) 2015 Real Estate Investment Plan. Mr. Grzejka will have an RFP prepared for the Board's review at next month's meeting.
- h) PIMCO personnel changes. NEPC recommends a Client Review status for PIMCO and will be closely monitoring team transitions, asset flows, and organizational changes. Material changes that impact NEPC's view and/or rating of PIMCO will be communicated to all clients.

18) NEPC Manager Summaries for October 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.

Foundry Group
Permal

TA Associates Realty (phone) – Mr. Fleming expressed annoyance at TA Associates Realty presenting via the phone when its offices are located in Boston and asked that going forward, TA Associates Realty make its due diligence presentation in person.

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.

19) Leo Douville Section 7 Retirement Hearing

Mr. Douville attended with his attorney Christine Narcisse and opted to enter into Executive Session for the purpose of discussing the physical health of the applicant. Mr. Douville's father-in-law accompanied Mr. Douville and was deemed an acceptable party to be present during Executive Session.

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

VOTED

to enter into Executive Session at 1:35 p.m. for the purpose of discussing the physical health of the applicant. 5-0, roll call with Mr. Durkin voting yes, Mr. Foti voting yes, Mr. McKenna voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

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

VOTED

to return to Open Session 1:55 p.m. 5-0, roll call with Mr. Durkin voting yes, Mr. Foti 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 applicant's reported injury and disability under the workers' compensation law, it would appear that the Mr. Douville's application satisfies the legal requirement for an award of accidental disability. It was noted that Mr. Douville had taken and passed a pre-employment physical.

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

VOTED

to approve Leo Douville's Section 7 Retirement. 5-0

20) Attorney Thomas F. Gibson/Legal Update –

a. Military Leave – The Board reviewed PERAC's response to Board's request for a Technical Advisory re. Active Military Service under Section 12301(d) of Title 10 USC and decided that clarification from PERAC was needed.

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

VOTED

to authorize Attorney Gibson to send a request for Clarification of Technical Advisory re. Active Military Service under Section 12301(d) of Title 10 USC. 5-0

Mr. Zecha stated for the record that the Board respects and honors all the work that veterans do.

- b. George Vezina – DALA Update
 - c. Robert Ponder DALA Update
 - d. Disability Status Update
 - e. Retiree Robert James – Attorney Gibson briefed the Board on communication Staff had with Mr. James regarding the portion of his retirement allowance which he had allocated to his estranged wife.
- 21) Mr. Fleming expressed his concern with the newly chosen PERAC Chairman.

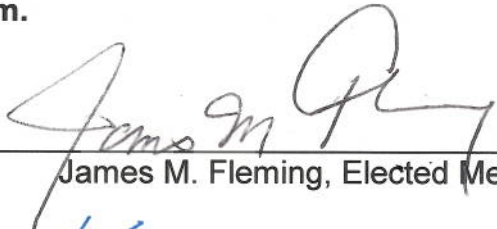
The Retirement Board was presented with the following documents at the meeting:

- NU Paradigm Presentation
- Foundry Presentation
- PERMAL Presentation
- TA Associates Realty Presentation
- NEPC Manager Summaries for October Meeting
- NEPC September 2014 Flash Report
- NEPC Global Asset Allocation – Finals Book
- NEPC 2014 Work Plan
- NEPC Alcentra response
- NEPC Real Estate Pacing Plan

The Retirement Board reviewed the following informational documents:

- PERAC Memo #31: Mandatory Retirement Board Member Training – 4th Qtr.
- PERAC Memo #32: Appropriation Data Due October 31, 2014
- PERAC Memo #33: Electronic Document Submission Training
- PERAC Newsflash 10/21/14 – Attorney Philip Brown new PERAC Chairman
- PERAC Newsflash 10/24/14 – Dan Boyle new IT Director
- PERAC Letter to Wakefield re. HazMat pay
- Globe Editorial: Maynard
- Globe Article: “Maynard case should not prompt an overhaul”
- Robbins Geller International Monitoring Report 9/2014
- Robbins Geller Settlement Report 9/2014
- Robbins Geller Monitoring Report 9/2014
- Robbins Geller: Laura Stein email re. update
- Boston Company Update: Joseph Gennaco, President & COO leaving; Adam Joffe new
- Mass Retirees: Healthcare Siege Continues
- Loomis Sayles: 9/14 qtr Proxy Votes
- PERAC Actuarial Funded Ratios of Retirement Boards

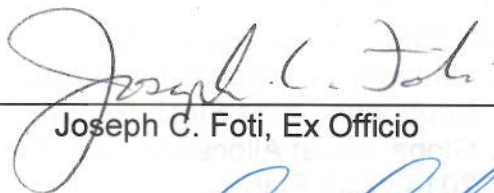
The meeting was adjourned at 2:32 p.m. The next regularly scheduled meeting of the MWRA Employees' Retirement Board will be held **Thursday, November 20, 2014 at Massachusetts Water Resources Authority, 2 Griffin Way, Chelsea, Conference Room 2D, 10:00 a.m.**



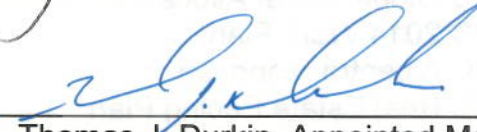
James M. Fleming, Elected Member



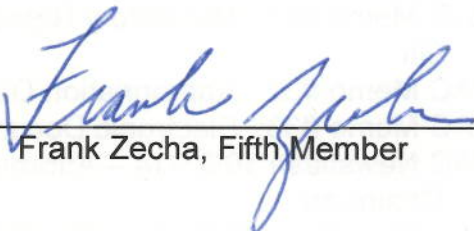
Kevin McKenna, Elected Member



Joseph C. Foti, Ex Officio



Thomas J. Durkin, Appointed Member



Frank Zecha, Fifth Member