

Joint Meeting Minutes
Dukes County Pooled OPEB Trust
May 14, 2020
Virtual Meeting via Zoom

Members Present: Jonathan Snyder, Chair, Tisbury; Kathy Logue, West Tisbury; Amy Tierney, Edgartown; Lauren Thomas, MV Transit Authority; John O'Hara, Dukes County; Curtis Schroeder, MV Commission; Melanie Becker, Chilmark

Also present: David Lee, DAHAB

Members not present: Sibel Suman, Aquinnah; Cheryl Sashin, Oak Bluffs

Jonathan convened the meeting at 1:04 pm

Approve minutes of November 14, 2019 meeting

Kathy motioned, seconded by Lauren to approve the minutes as written; four ayes, two abstentions.

Chairman's report

"What a ride!" Jon began by discussing the extraordinary times we are experiencing because of Covid19. He discussed that the Dukes OPEB Trust participated in the collapse of the financial markets in the 1st quarter; but we still ranked in the 87th percentile of public funds.

Investment Discussion with David Lee of Dahab Associates

David reported that the unemployment rate has reached 14.7%, but 66% of those are furloughed with the hope of being rehired. He said that the US economy has lost 36 million jobs; 2/3rds of our GDP is from the service industry which has been very hard hit by the shutdown. He reported that the Federal Funds rate is .25% which should provide a very big stimulus; but this volatility may not diminish. Small capitalization growth is down 36%. Kathy asked, in broad terms what are we likely to see. David said a year from now we can be hopeful that it will be better, but with whip sawing between now and then. He stressed that the Trust has a very long horizon and needs to be aggressive to reach our goal of meeting future needs.

John O'Hara asked about our 6% cash position; David said that is the result of contributions and will be addressed at today's meeting. Kathy said that with Edgartown's recent contribution of \$150,000, we now have 1.05 million in cash. Motion made by Kathy, seconded by John to, over time, invest all of the 1.05 million per the asset allocation in the target percentages on the Market Values sheet presented by Jon; all ayes by roll call vote.

Treasurer's Report

Kathy presented a draft of what will be the assessment for the new fiscal year, which includes budgeting 50% every year of the biannual actuarial study cost. This will have a smoothing effect that will work better for the units. She reported that we need to get bids for the actuarial study because we are at the end of our contract with KMS. Amy offered to do the procurement process for us.

Policy on Expenses Allocation – Second reading

Jon presented the changes that he made to the draft policy based on suggestions from Linda Bournival:

All costs in the annual budget of the OPEB Trust shall be assessed to member units based on the percentage distribution of each entity's census of active and retired employees as reflected in the most recent actuarial study.

Motion as made by Melanie, seconded by Curt, to adopt the policy as written. All ayes by roll call vote.

**Jon will coordinate with David Lee to schedule our next meeting on a date in August.
The meeting was adjourned at 2:10 pm**

**Respectfully submitted, Melanie Becker, Secretary/Clerk
Approved: August 20, 2020**

Documents attached:

Agenda

Letter from Chair, Market Values as of 4/30/2020, breakdown by unit as of 3/31/2020

Dahab Associates: Dukes County Pooled OPEB Trust Performance Review; March 31, 2020

Treasurer's Report –Balance Sheet as of April 30, 2020

Policy on Expense Allocation

Minutes; November 14, 2019