

**Joint Meeting Minutes  
Dukes County Pooled OPEB Trust  
January 26, 2018  
Dukes County Administration Building Meeting Room**

**Members Present:** Jonathan Snyder, Chair, Tisbury; Lauren Thomas, MV Transit Authority; Kathy Logue, West Tisbury; Noreen Flanders, Dukes Co.; Melanie Becker, Chilmark

**Also Present:** Maura McGroarty, Oak Bluffs Finance Committee

**Members not present:** Amy Tierney, MV Schools Business Administrator; Curtis Schroeder, MV Commission; Steve Jordan, Edgartown; Sibel Sumin, Aquinnah

Jonathan convened the meeting at 9:10 am

**Kathy moved, seconded by Noreen, to approve the minutes as written of September 16, 2016, March 24, 2017, April 4, 2017 and approve as amended the minutes of November 3, 2017. All ayes.**

**9:15 am Rockland Trust - Investment Review Conference Call with Brian Callow and Barbara Howard**

Brian began by saying that the Equity segment (stocks; i.e. higher risk) of the portfolio is high and bonds (lower risk) are historically low, although increasing. He said that volatility has been low for last two years; but there is still a climate of uncertainty. Jon asked Brian his thoughts of when a correction could come in this unpredictable market. Brian said that could be at any point, but against that back drop the economy is still strong; and it's unclear how much capital investment the new tax package will yield. The asset allocation was discussed as well as the fixed income segment and the overall fund performance.

Since the recent election of officers at our November 3<sup>rd</sup> meeting, Barbara said she will send new paperwork to be signed by the current officers who are account signers. Barbara will send the paperwork to Melanie who will forward it to Jonathan and Curtis.

Barbara asked that Curtis send her the full results of the new actuarial study so that she can update each unit's AAL, Accrued Actuarial Liability, on their quarterly report. She asked for the full report because Brian likes to review the report's assumptions about returns. Once again Kathy also asked Barbara to change the report to fiscal year not calendar year. The call ended at 9:55 am.

**10:00 am DAHAB Financial Advisors – conference call with David Lee**

Because DAHAB are not Financial Managers but instead Financial Advisors who assist their clients in selecting fund managers who will produce the best results; David asked if the group would be comfortable in changing fund managers if he recommends a change. Noreen responded by saying "absolutely". Jonathan asked how the new relationship would work. David said that DAHAB works with several OPEB funds making recommendations for fund managers and because the OPEB window of investment is so long it warrants being a little more aggressive to make headway in reducing the (OPEB) liability. Jon said that our fund is currently at \$11.5 million. David said that is within, but at the low end, of the OPEB funds that DAHAB works with. He said that typically DAHAB is also working with the pension fund side of the unit in addition to the OPEB side; and they typically have a different board. Jon asked about the cost. David said he would likely recommend multiple managers of co-mingled funds; and there would be a cost for a

custodian; Dukes County Retirement System uses People's United, because of that relationship they would offer an annual cost of approximately \$10,000. DAHAB's investment advisor annual fee would be \$10,000.

Kathy asked David about his projection for the coming year, which raised several questions about procurement law. Noreen said that she thinks it would be the RFP process (request for proposals). She said she thinks PERAC, Public Employees Retirement Administration Commission, has some oversight of OPEB funds.

**It was agreed that the board will meet with David Lee here on February 23, 2018 at 11:30 after his meeting at 9:00 with the Dukes County Retirement System board.**

Noreen asked David to please send Jonathan DAHAB's contract for review before the meeting. David asked for the following: formal name of the plan; mailing address, contact person.

Maura asked for discussion of the advantages and Noreen noted that our Investment Policy, which Rockland assisted us in preparing, does not specify specific bench marks that returns will be measured against. Kathy said that any single manager can pick the bench marks that they want to compare their returns to and that points out the need for an independent advisor who is not affiliated with a manager. David said if it would be helpful, he could assist us in reworking our Investment Policy. On a brighter note Kathy said that island units are ahead of funding compared with most off-island units. The group thanked David and the conference call ended at 10:20 am

#### **Review of other investment firm options: Bartholomew and Co. OPEB accounts data**

Reviewing a report of Bartholomew's OPEB funds average annual returns, it did not appear that there was an advantage to Bartholomew over our current manager, Rockland Trust.

Kathy raised the issue of should we be letting Rockland know what we are considering, i.e. an independent manager, and she offered to look for our contract with Rockland.

The draft audit from Clifton/Larson/Allen was not yet available and this item was continued to the next meeting.

**The board will meet next on February 23, 2018 at 9:00 am at the Dukes County Meeting Room.**

The meeting was adjourned at 10:35 pm.

Respectfully submitted, Melanie Becker, Secretary/Clerk

Approved: February 23, 2018