

Joint Meeting Minutes
Dukes County Pooled OPEB Trust
September 24, 2021
Virtual Meeting via Zoom

Members Present: Jonathan Snyder, Chair, Tisbury; John O’Hara, Dukes County; Cheryl Sashin, Oak Bluffs; Kathy Logue, West Tisbury; Amy Tierney, Edgartown; Lauren Thomas, MV Transit Authority; Melanie Becker, Chilmark

Also present: Jennifer Cook, CLA; David Lee, Dahab; Sander Shaprio, West Tisbury

Members not present: Sibel Suman, Aquinnah; Don Hatch, MV Refuse District; Curtis Schroeder, MV Commission; Mark Friedman, MV Schools Business Administrator

Jonathan convened the meeting at 1:00 pm

Discussion of draft audited financial statements with CLA’s Jennifer Cook

Jennifer noted that the audit required only one adjustment for TA Realty. She said that the real estate piece of the portfolio is always a quarter behind in reporting. There were no discrepancies, it was a clean audit. **Motion to accept the audit as final was made by Melanie, seconded by Amy. All ayes.**

Discussion of investment performance with Dahab’s David Lee

David began by discussing the impact of COVID on the economy as well as concerns about China. He said that it had been a robust quarter in the stock market; over the past twelve months the Russell 300 is up 44% with small cap stocks up even more. The portfolio ranked in the 13th percentile for the quarter and the 10th percentile for the past year; each asset class out performed its benchmark for the quarter and most did for twelve months. He discussed that the portfolio was restructured almost three years when Dahab took over as our Financial Advisor; at that time the fund was ranked in the 85th percentile; only 15% of public OPEB funds ranked lower. It has been a very strong turn-around. Contributions have been strong and the market value has increased by over nine million dollars. It was noted that the Land Bank recently joined the Pooled Trust with an initial contribution of one million dollars.

During the 2nd quarter the real estate, TA Realty, portion of the portfolio gained 5.4%, which was 1.5% greater than the benchmark; for the year it returned 13% which was 5% more than the benchmark. The fixed income piece, Loomis Core Bonds, also out performed it’s shadow index. The Bloomberg Barclay’s Aggregate.

Given the less flexible nature of real estate, Jon raised a question about how increasing our investment would impact our asset allocation. **David said he did not see a problem and Jon proposed increasing our TA Realty investment by \$1,000,000; so moved by Kathy and seconded by Melanie. All ayes.** Jon said it will be done over the next 6 – 12 months. John questioned where that puts us in our Real Estate allocation? Jon replied that by the end of the year we will be right on the target of 10%.

Kathy asked David for his forecast of where the market is heading. He said that there are simply no good alternatives to the equity market. He referenced supply chain problems and concerns about China but finished by saying that no one is taking money out of equities and over the long term that should do well for our portfolio.

Kathy moved, seconded by Cheryl, to approve the minutes as written of the February 17, 2021 meeting; by roll call vote the motion passed with one abstention.

Jon said that we should meet again in mid November for discussion of the actuarial study.

The meeting was adjourned at 1:30 pm. Motion made by John and seconded by Amy.

Respectfully submitted, Melanie Becker, Secretary/Clerk

Approved: November 19, 2021

Documents:

9/24/21 meeting Agenda

Treasurer's July – August 2021 Financial Statement

Dahab 6/30/2021 Performance Report

CLA 6/30/2021 audited Financial Statement