

**Joint Meeting Minutes
Dukes County Pooled OPEB Trust
November 19, 2021
Virtual Meeting via Zoom**

Members Present: Jonathan Snyder, Chair, Tisbury; John O’Hara, Dukes County; Cheryll Sashin, Oak Bluffs; Kathy Logue, West Tisbury; Pam Amaral, Edgartown; Lauren Thomas, MV Transit Authority; Curtis Schroeder, MV Commission; Melanie Becker, Chilmark

Also present: Linda Bournival, KMS Actuaries

Members not present: Sibel Suman, Aquinnah; Don Hatch, MV Refuse District; Mark Friedman, MV Schools Business Administrator; Nancy Weaver, Land Bank

Jonathan convened the meeting at 12:05 noon

Motion to approve the minutes as corrected of the September 24, 2021 meeting was made by Kathy, seconded by Curtis. Approved with one abstention.

Discussion of the Dukes County Pooled OPEB Trust June 30, 2021 actuarial report with Linda Bournival, KMS

Linda Bournival of KMS Actuaries presented a Power Point on the just completed study. Melanie said this meeting is a golden opportunity for all units to get their questions answered before making FY23 OPEB budget decisions. Linda began by saying that although government employers are required to report their current OPEB expense and liabilities on their financial statements every year; the GASB (Government Accounting Standards Board) does not require funding OPEB liabilities, just reporting them. Linda said a big part of the work of the study is to calculate the discount rate for each of the fourteen units of the Pooled Trust. One rate is calculated for projected benefits that are covered by projected assets; those units have substantial OPEB assets and can use the long-term expected rate of return on assets (6.6%) for their discount rate. For units whose projected benefits that are not covered by projected assets (no OPEB assets), they must use the 20-year municipal bond rate of 2.16%. The in-between units use a blended discount rate. Linda said that a unit’s OPEB funding policy is significant because it ‘touches the budget’ in a meaningful way. A unit’s OPEB policy as well as the percent of liability that it has funded will be a factor in how ratings agencies will rate the unit for bonding purposes.

Linda discussed several funding models. She said that the DCRS is expected to be fully funded by 2031 ; if units shifted their budget line for DCRS contributions to funding their OPEB liability that could contribute a second stream of funding in addition to what is now being budgeted. She discussed the strategy of funding the ADEC (Actuarially Determined Employer Contribution). The ADEC is developed by combining the current value of benefits (Service Cost) with the amortized Net OPEB Liability minus the current payment of retiree health insurance and any other OPEB benefits. Kathy had questions about the presentation as well as questions about funding policy. After discussing West Tisbury’s policy, Linda suggested adding ‘Review every Valuation Year’ to the policy. John O’Hara had a question about how best to explain the study to the County Commissioners. Cheryl had a question about how the covered payroll is calculated. There was also a question about calculating the ADEC for units with sub-units and Linda agreed to provide the sub-unit ADEC for all units that have sub-units since KMS had that it for the County. Curt asked Kathy when, as OPEB Treasurer, would she next be accepting unit

contributions and she replied that January will be the next time contributions will be forwarded for investment .

Everyone thanked Linda for her helpful presentation.

The meeting was adjourned at 1:18 pm.

Motion made by Cheryl and seconded by John.

Respectfully submitted, Melanie Becker, Secretary/Clerk

Approved: November 17, 2022

Documents:

11/19/21 meeting Agenda

KMS Dukes Co. Pooled OPEB Trust power point discussion/