

**Joint Meeting Minutes
Dukes County Pooled OPEB Trust
April 29, 2016
Dukes County Meeting Room**

Members Present: Curtis Schroeder, MV Commission; Noreen Mavro Flanders, Dukes County; Sander Shapiro, West Tisbury; Kathy Logue, West Tisbury; Amy Tierney, MV School Business Administrator; Lauren Thomas, MV Transit Authority; Melanie Becker, Chilmark

Also Present: Jonathan Snyder, Tisbury; Maura McGroarty, Oak Bluffs Finance Committee; and Brian Callow, Jeff Smith and Lorrie Leonard from Rockland Trust

Members not present: Sharon Jackson, Oak Bluffs, Sibel Suman, Aquinnah

Amy convened the meeting at 9:05 am

It was moved by Amy, seconded by Kathy, to approve the minutes as presented of the December 11, 2015 meeting. All ayes.

Treasurer's Report

Curtis presented the Treasurer's report which was for the nine month period ending March 31, 2016, with comparisons to the prior two fiscal years. He said that he had talked to Chris Rogers, our auditor, and Chris wants Rockland to prepare a report of activity as of our last audit. Noreen said that in the interest of increased accountability, it was previously the policy for Lauren to review the monthly bank statements. Curt said that he would arrange for copies to be sent to her. It was discussed that wires will be approved by two people, and Melanie will co-approve them.

Amy discussed the policy for basing assessments; the policy has been to base assessments on the number of members per unit as shown in the most recent actuarial study. Curt pointed out that the census only changes every two years. Noreen said that the question is for the units with no money in the Pooled Trust, how will they be assessed? Discussion was that the assessment for the audit will be based on the amount of funds in the Trust. Kathy questioned; funds as of when? and the annual budget assessment (which every other year includes the actuarial study) will be based on the census of the actuarial study. **Kathy made a motion, seconded by Noreen, to base the assessments of the overall annual budget on the census of members per unit of the most recent actuarial study; and base the assessment for the audit on the amount of money per unit in the Pooled Trust as of the end of the year for the last year of the audit. Jonathan said that he thought it should be the other way around, discussion followed. Vote was all ayes as moved.**

Rockland Trust Presentation

Jeff Smith introduced Brian Callow our new Portfolio Manager, replacing Jason Lily, who has left Rockland for an opportunity in Arizona. Brian has been with Rockland for eleven years and is the Director of Fixed Income. He reported that the Trust division of Rockland is managing \$2.7 billion in assets. Brian said that as the Pooled Trust gets closer to fully funded, it would be realistic to go from the current 4% discount rate to 6% or 8%. He encouraged the units to each develop and have a written plan for funding, and commented that some town's ear-mark their room's tax and or meals tax or other similar revenue for OPEB. He said that rating agencies understand that pension funding is a mandate and as yet, OPEB is not. Jonathan commented that none of our units are close to contributing our ARC (Annual Required Contribution). Brian said that future

GASB policy will require a written policy in the next few years, and rating agencies are currently asking for communities for it. Kathy said that the next actuarial study may use a range of discount rates to be applied for different units based on their % of funding. She said that West Tisbury, in two to three years, will fund the normal cost and when the pension obligation is funded, the town will fund their ARC. She said the real challenge is for the island schools to increase their OPEB funding. There was discussion of units opting to fund new employees upfront and not have them increasing the unfunded liability.

Brian walked through the investment performance documents. Jonathan suggested adding a second pie chart for future reports, aggregating the investments by type (stocks, bonds, etc.). Noreen pointed out that the Diversifying Funds shown in the Summary do not easily tie out to the detailed Portfolio Appraisal. Brian responded that the two reports come from two different parts of their system, but that they would work on a solution to this.

The policy of the units being allowed to send funds to Pooled Trust two times a year was discussed. Curtis said that based on the fact that town contributions voted as part of the annual budget can't be sent to the Pooled Trust until after the being of the fiscal year on July 1st; and he proposed that the Trust accept contribution as of the end of July, which will be deposited in Rockland in August, and as of the end of December, which will be deposited in Rockland in January.

Lorrie Leonard gave the Administrative review. She reported the current market value of the Dukes County Pooled OPEB Trust is \$6,383,502.83. Based on our elections last July, Kathy asked Lorrie to take her off as a signer, and add Amy, the current chair.

Amy and Curtis were authorized to put together a FY2017 budget/assessment, to be sent out to the units by Curtis in late June or early July for the next meeting.

The next meeting was set for September 30, 2016 at 9:00 am at the Dukes County Meeting Room.

The meeting was adjourned at 10:50 am.

Respectfully submitted, Melanie Becker, Secretary/Clerk

Approved: September 30, 2016