Joint Meeting Minutes
Dukes County Pooled OPEB Trust
August 20, 2020
Virtual Meeting via Zoom

Members Present: Jonathan Snyder, Chair, Tisbury; Kathy Logue, West Tisbury; Cheryl Sashin, Oak Bluffs; Mark Friedman, MV Schools Business Administrator; 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; Sander Shapiro, West Tisbury
Members not present: Sibel Suman, Aquinnah, Don Hatch, MV Refuse District

Jonathan convened the meeting at 10:04 pm
Investment Discussion with David Lee of Dahab Associates
David said that the 2nd quarter was unsurpassed. After the country's steepest market downturn in the first quarter, the 2nd quarter was the best quarter in 20 years for domestic equity markets. Small cap stocks outperformed Large and Mid cap stocks. The bounce back was led by the FAANG stocks; Facebook, Apple, Amazon, Netflix and Google. But that all masks the problem that 25 million people are unemployed.
David reported that our fund was in the 13th percentile, meaning that for the quarter 87% of all public OPEB funds did less well than ours.
David explained the *Shadow Index*, if all allocations were invested in Index Funds, their outcome would represent the *Shadow Index*. He said our fund outperformed the *Shadow Index* by 1.4% for the quarter.
Kathy asked about our assumption of an 8% return, she suggested reducing that to 7.5%. Discussion followed about whether or not the board had previously made that decision or not. John O'Hara asked David if Dahab has a policy on rebalancing (within asset allocations). Discussion followed about where we are out of balance, which presently is cash. Our target is 0% cash and we now are at 3.6%. Kathy explained this is a result of the annual contributions units made in July and August. Jon asked the board to authorize a policy that would allow him, when contributions come in, to rebalance and make purchases in accord with our investment policy, without requiring a vote of the board for each investment. Kathy moved, seconded by Curtis to allow Jon to invest the current $650,000 in cash per our investment and asset allocation policy and to allow future investments to be undertaken in accord with the investment and asset allocation policies without requiring a vote of the full board, the goal being to keep the fund fully invested. All ayes by roll call vote.
At this point David Lee left the meeting.
Chairman's report
Jon reported that this week he will complete the three tranches of purchases, done over a three month period, to become fully invested as discussed at the last meeting. He will invest the $650,000 received in July and August this week to bring the portfolio very close to its target allocations.
Treasurer's Report
Kathy said that this week she mailed and emailed the annual assessments to each of the units and she requests that everyone mail their unit's check to the Trust's post office box:
PO Box 921, Vineyard Haven, MA 02568

Kathy discussed that the budget incorporates ½ of the cost of the actuarial study each year for smoothing purposes which should be preferable to the units. There was discussion of the Trust's expense policy which bases assessments on the *most recent census* so collecting for our expenses will not be held up waiting for a new actuarial study. Jon pointed out the importance of being able to give units their assessment during the annual budget process done in the fall.

Approve minutes of May 14, 2020 meeting

John O'Hara motioned, seconded by Kathy to approve the minutes as amended with a correction from Lauren; by roll call vote: approved with seven ayes, two abstentions.

Jon said that the committee will meet next when we have the Performance Review for the quarter.
The meeting was adjourned at 10:43 am

Respectfully submitted, Melanie Becker, Secretary/Clerk
Approved: November 19, 2020

Documents:
Agenda
Letter from Chair, Market Values as of 6/30/2020
Dahab Associates: Dukes County Pooled OPEB Trust Performance Review; June 30, 2020
Treasurer's Report –Balance Sheet as of June 30, 2020
Minutes: May 14, 2020