

Joint Meeting Minutes
Dukes County Pooled OPEB Trust
August 4, 2023
Virtual Meeting via Zoom

Members Present: Jonathan Snyder, Chair, Tisbury; John O'Hara, Dukes County; Kathy Logue, West Tisbury; Lauren Thomas, MV Transit Authority; Amelia Tierney, Edgartown; Curtis Schroeder, MV Commission; Judy Soules, Dukes County

Also Present: David Lee, DAHAB Associates

Members Not Present: Sibel Suman, Aquinnah; Don Hatch, MV Refuse District; Cheryl Sashin, Oak Bluffs; Mark Friedman, MVRHS & UIRS Districts; Dawn Barnes, Chilmark; Nancy Weaver, MV Landbank; Sander Shapiro, Investment Committee

The Chair begins the meeting at 2:02 pm

Review of Investments with David Lee of Dahab Associates: David Lee reviewed the performance of the OPEB Trust for the quarter ending June 2023. The economic market remains cautious about the possibility of a recession despite some positive indications of economic growth; domestic equities are showing momentum; international equities saw gains in the second quarter but at a slower rate than the first quarter; the bond market was mixed for the second quarter; and cash equivalents are starting to yield higher rates and returns. Overall a positive quarter for a well-diversified trust with net investment gains of \$1.4M.

Further Discussion of Proposed Investment in Private Equity Class of Investments: Further discussion of the subject drew a negative picture of the private equity asset class by pointing out high fees and fees on top of fees; the difficulty of liquefying the investment; and the lack of transparency that we value. If the trust gave 10% of its investments to this asset class, the \$3M investment would be considered small and not enough incentive to garner a good fund manager. Also considered was that a small investment equates to a small return, even at a higher rate. It was discussed, with David Lee's encouragement, that the Trustees swap other equities to those with long-term gains and to rebalance fixed income, large and small cap portions of the trust. **Curtis Schroeder motioned and Kathy Logue seconded to reallocate the equity portfolio to a ratio of 75% equities and 25% fixed incomes with a slow transition to a 75% allocation as the Trust gains contributions.** The motion passed with a 7-0 vote. Discussion continued around how to find an active, not passive, manager for the small to mid-capped equity funds, as 5% of the total trust nears \$2M. It was the consensus of the group to wait a few more months for FY24 annual contributions to arrive and for David Lee to scout an active small cap equity manager.

Approval of Minutes: Some confusion remains over misdated minutes from 11/17/22. Kathy Logue motioned and John O'Hara seconded to approve the minutes of 3/30/23 with typos corrected. The motion passed with a 7-0 vote.

Kathy Logue reported the KMS actuarial study is under way and should be completed by the end of September.

The next meeting of the DCPOT will be set in early to mid-November.

Kathy Logue motioned, John O'Hara seconded, motioned passed to adjourn the meeting.

The meeting was adjourned at 2:54 pm.

Respectfully Submitted,
Amelia Tierney, Secretary/Clerk

Documents:
8/4/23 Meeting Agenda
DAHAB Associates DCPOT Performance Review June 2023

Approved: 3/14/24