Minutes for 10/02/2018 OPEB TRUST MEETING

Minutes accepted on 1/29/2019

3 in favor, 1 abstention

The meeting was called to order by Tim Harrison at 3:15 PM. In attendance were James Smith, David Hall, Timothy Harrison, Chris Woodruff and Lisa Troast. Nancy Konisky was absent.

The first order of business was to accept the minutes from the 01/30/2018 meeting. David made the motion to accept the minutes, Lisa seconded the motion. The minutes passed 3 in favor, 1 abstained.

The next order of business was to accept the minutes from the 08/28/2018 meeting. Chris made the motion to accept the minutes, Lisa seconded the motion. The minutes passed 3 in favor, 1 abstained.

Tim stated the main purpose of business was to follow up on our 8/28/2018 meeting where Bartholomew presented a new private equity investment strategy. Tim had done some research and provided us with handouts illustrating how other retirement systems invest in private equities. Both Mass State and Mass Teacher Retirement Systems invest 11% into private equities with a return rate of 6.6%. Middlesex County Retirement System invests 12% with a 10.28 % expected rate of return.

Lisa provided the documents that Alex Bartholomew forwarded – three Treasurer’s references who currently invest part of their OPEB portfolio in private equities. Attleborough, Acton-Boxborough and Milford were the three towns and Tim personally knows and greatly respects the Acton-Boxborough Treasurer.

Dave noted that with private equity investment we are placing more trust in the managers of the fund. Chris agreed since there are not as many regulations on private equities. Dave asked what Bartholomew estimated our long term rate of return would be. Lisa noted that Bartholomew stated the rate of return on private equities was about 10 – 12 %.

Tim said this would be a conservative way to get into a new investment strategy. Chris agreed that although the invested funds are less liquid, they are expected to have a much higher rate of return and since we are only risking 4.5% of the portfolio it is a good way of easing into this new investment strategy.

Tim asked for any further questions, then made a motion to notify Bartholomew that we will invest 4.5% of the OPEB Portfolio into private equities. Dave moved the motion and Lisa seconded the motion. All in favor of this motion.

Tim moved onto old business/new business. Jim said he was looking forward to the upcoming actuarial presentation on our OPEB fund. Dave highlighted that the Selectmen just recently approved the Town Meeting article to move funds into that account. Tim stated the total being moved into OPEB after the October Town Meeting will be $282,000 which will put our account balance over 1.4 Million dollars.

Dave made a motion to adjourn the meeting. Dave seconded the motion. All in favor.

Tim adjourned the meeting at 3:35 PM.

Respectively submitted

Lisa M Troast

Secretary, OPEB Trustees