

Minutes for 01/29/2019 OPEB TRUST MEETING

Minutes accepted on 1/21/2020

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 10/02/2018 meeting. Chris made the motion to accept the minutes, Dave seconded the motion. The minutes passed 3 in favor, 1 abstained.

The second Agenda item was the Bartholomew presentation by Brian Jamros and Kathleen Glowacki. Brian and Kathleen explained that we were coming off a tough 2018 market. From July 2018 to December 2018, our OPEB Portfolio had a loss of 5.25%. However, from inception to December 2018, our portfolio had a gain of 4.2%. Chris Woodruff asked how often we re-balance the portfolio. Brian explained that our portfolio is balanced at least annually, but normally more often. Our new private equity investment of \$50,000 has quarterly liquidity and the equity should be released soon! Bartholomew will keep us posted on that.

Tim moved onto the next agenda item – the presentation by our actuary, Linda Bournival from KMS Actuaries LLC. Linda reviewed a power point presentation with us detailing our OPEB Liability and our annual funding strategy. Dave asked the purpose of scraping this money together for OPEB when we could be using it toward operating budget needs? Jim responded that currently there is no funding strategy from the State on how to fund this liability. Tim explained how the OPEB funding helps our rating from Standard and Poors, thus giving us a better interest rate when we borrow. Once our pension liability is paid off, hopefully in 2035, that money will be used to fund OPEB in the future. Our goal is to achieve a 7.5% discount rate. Linda agreed to work out a model that will help us reach this goal. Once we reach the 7.5% discount rate, we can choose to begin using the interest in the account or as Jim suggested – let it sit and grow even more. Presently, we are funding as we can and meeting the Rating Agencies minimum requirements for favorable ratings.

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

Tim adjourned the meeting at 6:00 PM.

Respectively submitted

Lisa M Troast

Secretary, OPEB Trustees