



Retirement Board of Authority (RBOA) Meeting MINUTES

September 22, 2021

1:00 pm – 2:00 pm
Zoom/Virtual Meeting

The Retirement Board of Authority (the “Board”) members: Ann-Marie Gabel; Dr. Cindy Vyskocil; Kim McCord; Davit Khachatryan, and Cory Wathen.

Program Coordinator: Keenan Financial Services: Gail Beal, Roslyn Washington.

Consultants: Scott Rankin, Benefit Trust Company; Cary Allison, Morgan Stanley.

Roll Call: The RBOA meeting was called to order at 1:07 pm by Kim McCord.

Roll-call was conducted with all RBOA members reporting their presence. All the OPEB Trust's “service entity” representatives indicated their presence, except Gail Beal.

Retirement Board of Authority (RBOA) Charge: The Retirement Board of Authority is charged with ongoing Governance of the District's OPEB Trust. Effective Governance for the District's OPEB Trust requires the delineation of plan-related roles and responsibilities; the capture of key delegations and appointments in writing; the creation of reporting protocols across all plan-related parties; the use of applicable metrics to monitor and measure investment performance; the management of administration and compliance milestones; the maintenance of robust documentation to support, guide and demonstrate prudence; while RBOA members keep fiduciary skills sharp and investment knowledge current.

01. Public Comments:

No public comments were made.

02. Approval of Agenda for RBOA meeting on September 22, 2022: (Action)

A motion was made by RBOA member Davit Khachatryan to approve the Agenda; Motion was seconded by Cindy Vyskocil and was unanimously carried by all the RBOA members present.

03. Approval of Minutes from March 17, 2021 RBOA Meeting: (Action)

A motion was made by RBOA member Cindy Vyskocil to approve the Minutes for the previous RBOA meeting on March 17, 2021. Motion was seconded by Davit Khachatryan and was unanimously carried by the RBOA membership present.

04. Review of Action Items from Previous Meeting on March 17, 2021:

	Actions:	Assigned to:	Deadline:	Status/Comments:
A.	No items were reviewed			

05. Portfolio Performance Review: (Action)

- a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the District's Investment Trust. The Portfolio Value of the Trust as of **August 31, 2021 was \$161,729,944.07.**
- b. Cary Allison also noted that as of last night's close the asset value of the Trust was **\$159,592,000.**

Time weighted return net of fees:

Month to Date	Quarter to Date	Year to Date	Last 12 Months	Annualized Latest 3 Year	Annualized Latest 5 Year	Annualized Latest 10 Year	Annualized Inception to Date
1.31	2.32	8.72	17.52	10.27	9.18	7.54	6.85

- c. Cary Allison stated the U.S is outperforming quite a bit compared International.
- d. Global bonds are down.
- e. We have made no changes to the asset mix since we last met.
- f. Davit Khachatryan moved to accept the report; Motion was seconded by Cory Wathen and approved by all RBOA members present.,

06. Market Overview: (Information)

- a. Cary Allison of Morgan Stanley (MS) gave an overview of current market conditions.
- b. The market is economically strong now.
- c. Morgan Stanley (MS) estimates the Gross Domestic Product (GDP) will be approximately 6% this year, about 4.4% next year, and back to normal of approximately 2-4% in 2023.
- d. Inflation is on the rise, but MS believes that it is mostly transitory stemming from disruptive issues with the supply chain.
- e. New car sales are slow due to the shortage of semi-conductors, while used car sale prices are increased by about 20%.
- f. Other items like airfare & lumber should be gradually coming down in price.
- g. MS doesn't believe the Federal Reserve will raise interest rates until 2023. They want to hopefully get the employment rate back on track.
- h. Your bond manager Guggenheim believes the 10-year treasury will be lower next year, but MS believes it will actually be higher.
- i. Stocks are fairly expensive now, with bonds being approximately 2%.
- j. Tax rates are definitely not going down, but we are not sure if they will go up.

- k. Interest rates will remain low thru 2022.
- l. This is an information item only.

07. Investment Policy Statement Review (IPS): (Action)

Scott Rankin presented the Investment Policy Statement to the Board of Authority. Benefit Trust Company does not have any recommended changes at this time.

A motion was made by RBOA member Ann-Marie Gabel to reaffirm the Investment Policy Statement. The motion was seconded by Cory Wathen and was unanimously carried by all the RBOA members present.

08. The Annual Reporting on the Status of the Trust (Information)

The annual trust notice was presented to the RBOA as information only. Kim McCord confirmed the notice was posted on the district's website.

09. Disbursement Report: (Action)

Roslyn Washington presented the Disbursement Report reflecting fees paid to the District's OPEB Trust service entities for the period of March 2021 thru August 2021.

A motion was made by RBOA member Ann-Marie Gabel to ratify the District's Disbursement Report as presented. The motion was seconded by Davit Khachatryan and was unanimously carried by all the RBOA members present.

10. Update to the Comprehensive Compliance Plan including the "Substantive Plan" (Information)

Roslyn Washington presented Updated OPEB Questionnaire to the Board of Authority. There were no changes to the retiree health benefits comparing fiscal year 2020-2021 to the prior year. The District will receive an updated report on digital drive before by December 31, 2021.

11. Information Report: RBOA Comments

No RBOA comments were made.

12. Information Report: Program Coordinator/Consultant Comments

No Program Coordinator/Consultant Comments were made.

13. Date, Time and Agenda Items for Next Meeting

Future Retirement Board of Authority (RBOA) Meetings are scheduled as follows:

- a. March 10, 2022: 1:30 pm-2:30pm

Summary of Recommendations/Decisions Made Today (Action Items):

1. Approval of Agenda for RBOA Meeting on September 22, 2021.
2. Approval of Minutes from RBOA Meeting on March 17, 2021.
3. RBOA acceptance of the District's Investment Trust Portfolio Performance Review for period ended August 31, 2021.
4. The District's Disbursement Report ratified as presented.

Action Items (March 17, 2021)

	Action:	Assigned to:	Deadline:	Status/Comments:
1.	None Assigned			

13. Adjournment:

There being no further business to conduct, the Retirement Board of Authority meeting was adjourned by Kim McCord at 1:32 p.m.