



Retirement Board of Authority (RBOA) Meeting MINUTES

September 15, 2022

10:00 am – 11:30 am

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

Davit Khachatryan attended the meeting virtually via Zoom. He cannot vote to take action on any items presented at this RBOA meeting.

Program Coordinator: Keenan Financial Services: Roslyn Washington, Kristin Cooper.

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

Roll Call: The RBOA meeting was called to order at 10:15 am by Roslyn Washington of Keenan.

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 15, 2022: (Action)

A motion was made by Cindy Vyskocil and seconded by Ann-Marie Gabel to approve the Agenda; motion unanimously carried.

03. Approval of Minutes from March 10, 2022 RBOA Meeting: (Action)

A motion was made by Ann-Marie Gabel and seconded by Cory Wathen to approve the Minutes with suggested edits for the previous RBOA meeting on March 10, 2022; motion unanimously carried.

04. Review of Action Items from Previous Meeting on March 10, 2022:

	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, 2022 was \$132,231,420.61.**

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
-3.29	1.87	-18.22	-18.86	1.95	2.90	4.79	4.79

- b. Ann-Marie Gabel asked if the US was currently in a recession. Cary Allison responded... "Technically the definition of a recession is two negative quarters. So based on that definition, yes, we are in a recession because the first two quarters of 2022 were negative.
- c. The first quarter of 2022 was the worse in history.
- e. We made a few changes to the asset mix since we last met, adding more into Real Estate Investments (REITS) and increasing our investments to the mutual funds that provide dividends.
- f. Cindy Vyskocil moved and Ann-Marie Gabel seconded to accept the report; motion unanimously approved.

06. Market Overview: (Information)

- a. As Cary Allison indicated, this has been a horrible year for the bond market, with the first quarter of 2022 being the worst performance since the great depression.
- b. This was the worst start of the year for a 50/50 asset mix in over 50 years.
- c. Inflation is still extremely high now, but the Federal Reserve has slowly been raising short-term interest rates in order to soften the blow to the current economy.
- d. Short-term interest rates are currently at 3.5%, which is a 2% increase since March 2022.
- e. Consumer behavior also tends to help move inflation down.
- f. Cary stated that although bonds are not doing well now, it is allowing your bond managers to buy bonds at a really low price.
- g. We think we will see long-term interest rates move lower to approximately 3.5%.
- h. Cary Allison recently spoke with one of your fund managers, Alger. They advised that

the growth stocks have taken the biggest hit relative to value stocks and the market as a whole.

- i. Large company stocks are currently trading at high prices.
- j. We also believe there is a chance that there will be another correction forthcoming in the next few months.
- k. We have a mid-term election coming up. The 4th quarter is typically good, but it is also better after an election.

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 Ann-Marie Gabel and seconded by Cindy Vyskocil to reaffirm the Investment Policy Statement; motion unanimously carried.

08. Election of the Retirement Board of Authority (RBOA) Chairperson (Action)

Connie Cavanaugh motioned and Cory Wathen seconded the motion to nominate Ann-Marie Gabel as RBOA Chair; motion unanimously approved.

09. Election of the Retirement Board of Authority (RBOA) Vice-Chairperson (Action)

Ann-Marie Gabel motioned and Cory Wathen seconded to nominate Connie Cavanaugh as RBOA Vice-Chair; motion unanimously approved.

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

The annual trust notice was presented to the RBOA as information only. Connie Cavanaugh confirmed the notice was posted on the District's website.

11. 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 2022 thru August 2022.

A motion was made by Cindy Vyskocil and seconded by Connie Cavanaugh to ratify the District's Disbursement Report as presented; motion unanimously carried.

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

Roslyn Washington presented the Updated OPEB Questionnaire to the Board of Authority. There were no changes to the retiree health benefits comparing fiscal year 2021-2022 to the prior year. The District will receive an updated report on digital drive before by December 31, 2022.

13. Information Report: RBOA Comments

No RBOA comments were made.

14. Information Report: Program Coordinator/Consultant Comments

Roslyn Washington, Keenan apologized to the RBOA for the technical difficulties that delayed the start of the meeting. Cary Allison, Morgan Stanley and Scott Rankin, Benefit Trust thanked the RBOA for their time and are looking forward to meeting in person at the next meeting.

15. Date, Time and Agenda Items for Next Meeting

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

- a. February 9, 2023: 10:00 a.m.-11:30 a.m.
- b. September 14, 2023: 10:00 a.m. – 11:30 a.m.

<p>Summary of Recommendations/Decisions Made Today (Action Items):</p> <ol style="list-style-type: none"> 1. Approval of Agenda for RBOA Meeting on September 15, 2022. 2. Approval of Minutes from RBOA Meeting on March 10, 2022. 3. RBOA acceptance of the District's Investment Trust Portfolio Performance Review for period ended August 31, 2022. 4. Investment Policy Statement reaffirmed with no changes. 5. The District's Disbursement Report ratified as presented.
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Action Items (February 9, 2023)

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

16. Adjournment:

There being no further business to conduct, motion to adjourn the Retirement Board of Authority meeting at 11.22 a.m. was made by Cindy Vyskocil and seconded by Connie Cavanaugh; motion unanimously carried.