

## OPEB BOARD OF TRUSTEES MEETING

Minutes

July 16, 2020

8:00 AM

Via Webinar

OPEB Board of Trustees Members in Attendance:

David R. Martin - Vice Chair	Mayor
Sandra L. Dennies - Chair	Director of Administration
Alfred Cava	Director of Human Resources
David Yanik	Controller
Andy George	President, Board of Education
Tamu Lucero	Superintendent of Schools
Ryan Fealey	SPS Director of Finance
Jimmy Connors	Custodians' Pension Appointee
Eric Newman	CERF Pension Appointee
Jay Fountain	Fire Pension Appointee
Gary Palomba	Board of Representatives Appointee
Matthew Quinones - Secretary	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order by Ms. Dennies at approximately 8:05 a.m. A quorum was present.

The following materials were distributed in advance: meeting agenda, minutes of the May 21, 2020 meeting, Second Quarter OPEB Trust Investment Review, Milliman invoices, and Wells Fargo Fund Balances Report for the period ending June 30, 2020.

**Approval of Minutes** – A motion was made and seconded to approve the May 21, 2020 minutes. **The motion carried unanimously 10-0-0.**

**Report on Investments of the Funds** – Mark Wetzel and Kathryn Pizzi of Fiduciary Investment Advisors, LLC (FIA), reported on OPEB Trust Fund investments. Ms. Pizzi spoke about the Governance calendar and the markets.

Next, Mr. Wetzel reviewed the OPEB Long-Term Investment Policy Statement (IPS) which was reaffirmed in August of 2018 with the asset allocation table in Appendix A last approved July 18, 2019. After discussion, a motion was made and seconded to approve the full OPEB Long-Term Investment Policy Statement with no changes to Appendix A. **The motion carried unanimously. 10-0-0.** Mayor Martin entered the meeting.

The OPEB plan was at \$166.7 million at the end of the quarter and is allocated at targets. The plan was up 17% in the quarter versus a benchmark of 14.7%. Despite the extreme volatility of the markets the fiscal returns are greater than last year. Mr. Connors entered the meeting.

**Wells Fargo Report** – Joseph DePalma of Wells Fargo distributed, and the Board discussed, the Wells Fargo Administrative Report of Trust Fund balances for the period ending June 30, 2020. He announced that the transition to Principal should be completed in late 2021.

**Approval of Milliman Quarterly Core Services Invoices** – Ms. Dennies requested that quarterly payments for OPEB contractual core actuarial services be approved for the fiscal year. After discussion, a motion was made and seconded to authorize payment of Milliman actuarial invoices each quarter until the end of the fiscal year and that the invoices will be included in the quarterly reports of bills paid. **The motion carried unanimously 12-0-0.**

**Report of Bills Paid and Financial Reports** – Mr. Yanik reported that the financial reports for the June quarter and fiscal year-to-date are still being compiled and will be presented in full at the next meeting. If there are any extraordinary results that require the attention of the Board before the next meeting that information will be transmitted to the Board.

Mr. Yanik explained that due to the effects of the COVID emergency the timing of the annual contribution has not been determined. After discussion, in order to facilitate flexibility for the timely investment of funds, a motion was made and seconded to allow the Chair of the OPEB Board, upon the advice of the financial advisor, to make a decision on how to invest the funds in the absence of a meeting and report that decision to the Board. If any Board members object an attempt will be made to call a special meeting. Otherwise, it will be discussed at the next full meeting in November. This authority expires October 31, 2020. **The motion carried unanimously 12-0-0.**

**Investment Advisor RFP Update** – Mr. Cava reported that the RFP selection committee met yesterday. The three finalists will be interviewed on August 4th.

**Other Business** – There was no other business.

The meeting adjourned at 8:59 a.m.

**Next meeting is scheduled for November 19, 2020 at 8:00 a.m.**  
Location to be determined.