

**HOLLISTON OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
BOARD OF TRUSTEES
MEETING MINUTES
SEPTEMBER 16, 2014**

The first meeting of the Holliston Other Post-Employment Benefits (OPEB) Trust Fund Board of Trustees convened at 3:02 p.m. in Room 105 at Town Hall. Present from the Board were Carol Emmons, Chair of the Holliston School Committee, Kevin Conley, Chair of the Holliston Board of Selectmen; Mary Bousquet, Holliston treasurer/Collector; and Paul LeBeau, Holliston Town Administrator.

Mr. Paul W. Todisco of the Massachusetts Pension Reserves Investment Management Board (PRIM) was also present along with Jay Marsden and William Dowd.

Mr. LeBeau offered the following information by way of background:

- Holliston secured a special act to create an OPEB Trust Fund and the OPEB Trust Board of Trustees and has deposited \$4.8 million into the Trust Fund. The legislation provides that the Chair of the School Committee, the Chair of the Board of Selectmen, the Treasurer/Collector, the Town Administrator and a citizen appointed by the Board of Selectmen shall comprise the OPEB Trust Board of Trustees. A citizen has not yet been appointed.;
- The Town directed the actuary to change the investment return assumption from 8.5% to 6.5% for the 2012 OPEB actuarial analysis and the next biennial actuarial analysis will be done soon for FY14;
- The Town utilized the provisions of Chapter 32B to negotiate health insurance plan changes with a Public Employee Committee (PEC) in 2012. Those changes eliminated certain plan options and resulted in “rate saver” and “benchmark” plan offerings. It was also agreed in 2012 that there would not be another PEC process for 2 years after March 30, 2012; and
- The primary responsibility of the Board of Trustees is to determine how and where the Trust funds will be invested.

Mr. Todisco then made a presentation concerning the State Retirees Benefits Trust Fund (SRBTF) and the management of assets by PRIM. A copy of his presentation is attached to these minutes. Mr. Todisco also provided a copy of the Pension Reserves Investment Trust Fund Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013 and a copy of the Pension Reserves Investment Management Board Performance Measurement June 30, 2014 (copy attached to these minutes), which shows actual performance versus benchmarks for money managers used by PRIM.

In response to questions from members of the Board of Trustees and from attendees Mr. Todisco noted the following:

HOLLISTON OPEB TRUST FUND BOARD OF TRUSTEES
MEETING MINUTES
SEPTEMBER 16, 2014
Page 2

- The Board of Selectmen may have to vote to authorize the Town's participation in PRIM;
- The PRIM Board meets six times each year;
- PRIM manages \$60 billion and has an annual budget of about \$300 million; their custodian bank is BNY Mellon; PRIM operations are independently audited annually; they have about \$1 billion in cash with about one-half of that amount equitized;
- Mr. Todisco will provide year by year investment return results going back to 1985;
- PRIM's real estate investments do not include mortgages or collateral loans; and
- The list of communities joining PRIM is growing each year.

The Board thanked Mr. Todisco for his time and the information he provided.

There was a consensus among Board members present to defer the election of officers until at least the next meeting in hopes that a citizen would be appointed by then and to schedule an informational meeting with a private sector investment management company. It was noted that the Board has three basic options: (1) invest with PRIM; (2) manage investments on its own; or (3) invest through the private sector. The latter would require an RFP process. It was also noted that the biennial OPEB actuarial analysis, which costs about \$10,000, could be paid out of the Trust.

At 5:45 p.m. Ms. Emmons moved, Mr. Conley seconded and it was unanimously voted four in favor to adjourn.

Respectfully submitted,

Paul D. Le Beau
Town Administrator