

Filed subject to approval

REGION 9 BOARD OF EDUCATION
Special Pension Committee Meeting
August 1, 2016

MINUTES

Committee Members: P. Coppinger (*by telephone*), W. King, J. Sanders
Administration: P. Sullivan
Public: Joe DeRosa – USI Advisor

1. Mr. King called the meeting to order at 5:39 p.m. in the Career Center at Joel Barlow High School.
2. **Motion:** To approve the minutes from the April 25, 2016 meeting; by Jim Sanders, seconded by Wally King. Vote: All in favor.
3. Public Comment: None
4. Discussion and Possible Action Items:

A. Quarterly Portfolio Review

Mr. DeRosa gave a brief overview of the general economic conditions. The US economy grew 1.24% during the second quarter 2016, the first quarter growth rate was adjusted downward from 1.0% to 0.8%, due to a decline in consumer spending and a reduction in inventory investment.

There has been little growth in the wages on the labor side. Jobs created in May, 2016 were the lowest in 5 years, at 11,000, as compared with 287,000 in June. Unemployment stayed low at 4.9%. Corporate profits showed a decline, mostly due to a strong dollar and low energy prices. Inflation remains low.

Internationally, Brexit is a big unknown, but will have an impact.

Mr. DeRosa referred to pages 22 and 23, noting the fund's asset allocation is in line with the IPS, slightly overweight towards fixed income. Pages 26 and 27 show the investment gains for the quarter of \$96,000 and calendar year to date of \$148,000.

Mr. Coppinger joined the meeting by phone at 6:10 PM.

Mr. DeRosa referred to page 42 in the investment report noting that the JP Morgan Large Cap funds were having a difficult year as compared with their peers. The committee continued the conversation started at the last meeting about replacing the large cap managed funds with an indexed fund.