

*Filed subject to approval*

**REGION 9 BOARD OF EDUCATION**

**Special Pension Committee Meeting**

**August 10, 2017**

**MINUTES**

Attendees: Vance Hancock, Ira Kaplan, Wally King, Jim Sanders (committee members)

Administration: Scott Reiss (Director of Finance & Operations)

Others: Bill Beck, Joe DeRosa (USI Advisors)

Absent: Paul Coppinger, Jeff Mondt

Members of the Public: 1

I. Mr. King called the meeting to order at 5:32 p.m. in the Café Annex at Joel Barlow High School.

II. Approval of Minutes

**Motion: move to approve the minutes from the April 24, 2017 meeting by Jim Sanders, seconded by Ira Kaplan. Vote: All in favor, Scott Reiss abstained.**

III. Public Comment: A question was raised whether the questions of the June 29, 2017 Region 9 Board of Education meeting, with regards to the timing and sources of contributing to the pension fund, had been resolved. A full review of the 2016-2017 contributions to the pension fund has been completed and reviewed with the sub-committee chair.

IV. Discussion and Possible Action Items:

**A. Quarterly Portfolio Review**

Mr. DeRosa reviewed USI's fiduciary protocols and practices. He then presented an Economic Review, summarizing the second quarter of 2017.

The US economy grew 1.4% during the second quarter 2017, down from the previous quarter's rate of 2.1%. Unemployment rate is at 4.4% however, the labor force participation rate remained near its lowest level in decades, i.e. 62.8%. Corporate profits fell 2.7% in the first quarter following a rise of 2.3% in the fourth quarter. Year over year, profits are up 4% and earnings are up 20%.

Time weighted YTD return of the entire portfolio (8.20%) compared favorably with the benchmark return (6.48%).

The committee discussed the current practice of dollar cost averaging periodic pension contributions and agreed to continue this practice.

B. Committee Decisions and Actions for Possible Re-Allocation of Investments

**Motion: move that USI will consolidate existing funds in fund Wells Fargo Adjustable Rate Government Inst. to Pioneer Strategic Income. Ira Kaplan, seconded by Jim Sanders. Vote: All in favor.**

At the next meeting, USI will bring considerations for alternatives to the Vanguard 500 Index Admiral Fund.

**Motion: USI will consolidate existing funds in fund Voya Global Real Estate R6 to new fund Vanguard REIT Index Admiral. Ira Kaplan, seconded by Jim Sanders. Vote: All in favor.**

C. Review of Actuary Standards Employed

The Committee reviewed actuarial analysis including expected benefits payments. The Committee discussed potential actions to be taken in the event of a significant drop in the equities market (e.g., 40% drop). Consensus was that 'stay the course' would be the decision of the Committee. The Pension Committee Chair will recommend to the Board of Education that the Pension Committee be included in decisions on year-end pension contributions.

V. Public Comment: None

VI. Committee Member Comment: None

VII. Adjournment

**Motion: move to adjourn the meeting was made by Ira Kaplan and seconded by Jim Sanders. Approved unanimously.**

The meeting adjourned at 6:56 p.m.

Submitted by,

Scott Reiss  
Director of Finance and Operations