

Joint Meeting Minutes
Dukes County Pooled OPEB Trust and Investment Committee
November 14, 2014
Dukes County Meeting Room

Members Present: Noreen Mavro Flanders, Dukes County; Adam Wilson, Aquinnah; Kathy Logue, West Tisbury; Amy Tierney, MV Regional School District; Lauren Thomas, MV Transit Authority; Sander Shapiro, West Tisbury; Melanie Becker, Chilmark

Members not present: Curtis Schroeder, MV Commission; representative appointment from Edgartown is pending.

Kathy convened the meeting at 8:35 am

It was moved by Noreen, seconded by Amy, to approve the minutes as written of the October 17, 2014 joint meeting. All ayes.

Auditing Service

Amy discussed her conversation with Chris Rogers of CliftonLarsonAllen regarding the quote of \$17,000 per year for three years. Chris said that without having yet done an audit for the Trust, his firm wasn't comfortable with reducing the price for years two and three. He said the quote was based on an estimate of 150 hours of work for the first year and they were willing to come down to \$15,000. Their discussion also touched on the possibility of the Trust doing an '*internal review*' only the second year and a full audit every other year. In that scenario the group would collect all of the data needed for an audit and provide it to CliftonLarsonAllen for use in preparing the audit every other year. Kathy and Noreen discussed how that would require changing the Trust by-laws.

Budget assessments for FY2015

Kathy presented two methods of handling the unbudgeted cost of the audit in FY2014:

Version I added the \$4,979 expenses and the \$15,000 audit for a total of \$19,979 and apportioned it by number of employees and retirees per unit with all units sharing in the cost of the audit.

Version II had only the expenses shared by all units and apportioned by number of employees and retirees per unit. The audit would then be paid for only by the units with funds invested in the Trust and would be apportioned by % of total funding as of 6/30/2014, not by the number of employees and retirees per unit.

Adam Wilson arrived at 8:45. Sander questioned if a hybrid 50/50 formula could be used. Noreen left at 8:50 to go to the boat to pick up the health plan representatives for the Senior Health Fair. Considerable discussion followed about the units that have joined but haven't put any funds in the Trust and the units that have chosen not to join. Amy suggested one option was to pay for the first audit from investment earnings since no one has budgeted for it rather than expecting each unit to do a reserve fund transfer. Adam said that would give time to notify units that they need to budget for this expense. **Sander made a motion, seconded by Adam, to pay for the \$15,000 cost of the first audit from investment returns, and in this fiscal year, hold the three meetings necessary to consider changing the Trust by-laws to requiring an audit every other year rather than annually. All ayes.** Kathy said that she would work on a letter to the units explaining the issues, options and plans.

Sander made a motion, seconded by Amy, to authorize Kathy to sign and return the letter of engagement for the first year audit with CliftonLarsonAllen at a price of \$15,000. All ayes. Kathy said that she will notify Rockland Trust to prepare for the withdrawal. There was discussion that an audit sub-committee of two would be the best way to gather the needed data and interface with Chris Rogers. Amy volunteered and Kathy suggested that Curtis Schroeder, who is a CPA, would be the best choice for the second person. There was discussion about needing prompt payment of assessment invoices. Sandy suggested that we codify in the by-laws a date by which assessments will be sent out and by which they must be paid.

The next meeting was set for January 16, 2015 at 9:00am.
The meeting was adjourned at 9:20 am.

Respectfully submitted, Melanie Becker, Secretary/Clerk
Approved: January 16, 2015