

Central Massachusetts Collaborative

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Dr. Susan Farrell, Executive Director
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CMC OPEB Trust
Monday, July 12, 2021 at 9:00 A.M.
14 New Bond Street, Worcester, MA 01606

Meeting Minutes

Trust Members Present: Susan Farrell, Executive Director, CMC
Brian Allen, Chief Financial & Operations Officer, Worcester Public Schools
Joseph Meichelbeck, Treasurer, CMC
Monique Pierangeli, Business Manager, Webster Public Schools
Paul Rosen, Retiree Representative, CMC
Mark Sivazlian, Employee Representative, CMC

1. Dr. Farrell called the Meeting to Order at 9:00 a.m.

2. Approval of the April 27, 2021 OPEB Trustees Meeting Minutes (voting item)

Mr. Allen made a MOTION to approve the meeting minutes from April 27, 2021.

Dr. Farrell seconded the MOTION.

MOTION was passed unanimously.

3. Trust Status Update

Dr. Farrell updated the Board regarding the status of the Trust. CMC's attorneys are reviewing the documents and will advise us as to steps needed to register the Trust as required. Regarding continuity of the Trust, Dr. Farrell notified the Trustees that the Collaborative Board voted to transfer \$300,000 to the Trust. To help ensure sustainability, the Collaborative Board discussed dedicating a small percentage of yearly surplus funds from Collaborative operations (if any) to be deposited into the Trust. The percentage will not be a standing line item at this time and would need to be voted on annually by the Collaborative Board.

4. Investment Policy Review (voting item)

Mr. Rosen raised the question of fees relating to investments. Mr. Meichelbeck stated that the investments would follow Worcester Public Schools investment policy and would amount to fees of approximately 60 basis points (or, 0.6%). Dr. Farrell posed the question pertaining to the percent of funds invested, noting that 100 percent may be too risky. Mr. Meichelbeck stated that a small percentage can be held as liquid assets. Mr. Meichelbeck also pointed out that the current portfolio yields between 2-3%. Mr. Rosen asked if any of the Trust funds would be utilized for other Collaborative reasons. Dr. Farrell explained that the Trust could not be used for other purposes (e.g. new hires). Mr. Meichelbeck also shared that the Trust is "irrevocable," and cannot be used for anything other than post-employment benefits. Mr. Meichelbeck will review with analysts to determine if 10% is a reasonable percent to set aside as liquid assets versus investing them. All investing will be

reviewed for updating annually at a minimum.

Current proposed investment policy APPROVED by all.

5. Old Business - Question regarding liability for OPEB costs if CMC closed

The previous question raised by Mr. Rosen concerning OPEB funding if CMC closes was addressed by Dr. Farrell who stated that if the Collaborative ever does close, the funding liability would be assumed by member towns.

6. New Business

Mr. Meichelbeck will look into possibly having different fund managers present during an OPEB meeting. The next OPEB Trust meeting will be held on Monday, October 25, 2021 at 3p.m.

7. Adjournment

The meeting adjourned at 9:27 a.m.

Respectfully submitted,
Mark Sivazlian