

OXNARD UNION HIGH SCHOOL DISTRICT
RETIREE HEALTH BENEFITS TRUST
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BOARD MEETING MINUTES

Wednesday, August 22, 2018

OXNARD UNION HIGH SCHOOL DISTRICT
BOARD ROOM

220 South "K" Street, Oxnard, California 93030

The Benefits Trust was established as a cooperative organization between The Oxnard Federation of Teachers and School Employees (OFTSE) and the Oxnard Union High School District (OUHSD). The mission of the Trust shall be to financially ensure, through investment of Trust funds and the cooperative efforts of the OFTSE and OUHSD, a comprehensive health and benefits program for every eligible retiree of the OUHSD at the most efficient cost achievable through unity of design, purchase and administration. In accordance with requirements of the Americans with Disabilities Act and related federal regulations, individuals who require special accommodation, including but not limited to an American Sign Language interpreter, accessible seating or documentation in accessible formats, should contact the District Superintendent's office at least two days before the meeting date.

I. OFFICIAL OPENING OF MEETING

The Board meeting of the Oxnard Union High School District Retiree Health Benefits Trust was called to order by Board Chair Shawn Near at 2:00PM on August 22, 2018 in the Oxnard Union High School District Board Room at 220 South K Street, Oxnard, California 93030.

Trustees present: Wes Davis, Dr. Rocky Valles, Patsy Thomas, Eric Montijo, Shawn Near, Jeffrey Weinstein

Legal Counsel Present: Laura McAvoy

Guests present: several members of the public

II. PLEDGE OF ALLEGIANCE

Trustee Davis led the Pledge of Allegiance

III. ADOPTION OF AGENDA

Trustee Weinstein requested Item VII c. be tabled to further research prior to opening for discussion. Upon motion of Trustee Montijo, seconded by Trustee Davis, the Board on a 6-0 vote adopted the amended agenda, as presented.

IV. AUDIENCE TO ADDRESS BOARD OF TRUSTEES CONCERNING ANY AGENDA ITEMS: *Those persons wishing to address the Board may do so at this time. Individual presentations are limited to three (3) minutes each, or in the case of a group of people speaking on a specific item, ten (10) minutes will be permitted.*

Mr. John Grisafe asked the notifications for future meetings be timely.

V. CONSENT AGENDA ITEMS:

a. Approval of Meeting Minutes:

i. June 12, 2018 Special Board Meeting

Upon motion of Trustee Thomas, seconded by Trustee Near, the Board on a 5 with 1 abstention vote approved the June 12, 2018 minutes, as presented.

b. Consideration of Approval Of Current Invoices: US Bank Invoice #11133953 for \$712.08; Canterbury Consulting, Incorporated, Invoice #I-23992-MIV4 for \$20,222.09; Musick, Peeler & Garrett LLP Invoice#325735 \$for \$2,370.20 and Invoice#326525 \$2,245.20; Vance, Thrift & Biller LLP Invoice #61532 for \$900; and Walthall Enterprises, Inc. Invoice #027ouhsdrhbt for \$326.58 (Hosting and Domain renewal through InMotion Hosting through August 2021)

Upon motion of Trustee Valles, seconded by Trustee Montijo, the Board on a 6 vote approved the Consent Agenda Invoices, as presented.

c. Investment Policies, Guidelines and Objectives Revised and Adopted May 3, 2018
Counsel McAvoy reported the above Guidelines were approved and discussed at the last Board meeting and this is a follow up documentation from Canterbury.

Upon motion of Trustee Montijo, seconded by Trustee Valles, the Board on a 6 vote approved the Consent Agenda Item c., as presented.

VI. INFORMATION ITEMS

a. City National Bank Checking Account Statements (June 29, 2018 and July 31, 2018)

The Board reviewed these items.

b. US Bank Investment Statements (May 2018, June 2018 and July 2018)

The Board reviewed these items.

Trustee Weinstein discussed the 9% increase in the portfolio is excellent. The Canterbury report that will be presented at the workshop shows the same growth. The approved investment is a good move and the portfolio is doing very well.

c. Trust Financial Statements – Vance, Thrift & Biller (March 31, 2018)

The Board reviewed these items.

VII. ITEMS FOR DISCUSSION/POSSIBLE ACTION BY THE BOARD

a. Confirmation Vote-Jeffrey Weinstein as Board Co-Chair

Counsel McAvoy discussed what was done last year in the same circumstance upon the arrival of new Trustee member. Therefore, Trustee Near will step in as Chair to give Trustee Weinstein an opportunity to acclimate, then they would switch in January 2019.

Jeff thanked the Board and reviewed his background.

Upon motion of Trustee Davis, seconded by Trustee Montijo, the Board nominate Shawn Near as Board Chair and Jeffrey Weinstein as Board Co-Chair on a 6-0 vote, as presented.

b. Resolution No. 2018-01 Approving Signatories and Confirming Procedures for Expenditure and Transfer of Funds from Trust Checking Account (Update)-City National Bank and Authorization of Chair and Co-Chair As Authorized Signatories For Trust Investment Custody Account (Update)-U.S. Bank

Trustee Near discussed this basically authorizes the Chair and Co-Chair to sign checks on behalf of the Trust.

Upon motion of Trustee Davis, seconded by Trustee Thomas, the Board on a 6-0 vote approved the Resolution No. 2018-01, as presented.

c. Discussion of lack of response to the Trust response to the Grand Jury and the Trust response to Counsel to the Retirees

Tabled for next meeting.

d. Discussion of District's 8/29/18 Workshop on the subject of the Benefits Trust

Jeff reported that the OUHSD Board is holding an informational workshop on the Retiree Health Benefit Trust. The workshop will review the history of the Trust as well as the history of the financial transactions of the Trust. The workshop will have Canterbury Consultant review the portfolio performance. Vance, Thrift & Biller, LLP, the accounting firm will be available to speak regarding the financial statements and Nyhart Group will be present Gasby 75 report which is the actuarial of unfunded liability to the District. The Nyhart Group is the group that creates the actuarial report and will be there to answer questions. In addition, this workshop gives the opportunity of the OUHSD Board of Trust to ask questions of this Trust. Both, the Trust Counsel and the District Counsel will be available at the workshop. It gives the retirees a chance to see the interactions between ourselves and the experts that manage the funds as well as for them to ask questions. This will bring confidence to the retirees. The workshop is at 6:30pm at the start of the Open Session. The Trust discussed the importance of attending and being available to answer questions.

Counsel McAvoy reported this is a workshop provided on behalf of the District. Legally this is a workshop of the District. The District has extended an invitation to the Trust, the Trust can choose to attend and make themselves available. This is not a meeting of the Trust. The Board of the Trust is not participating in preparation of materials for the workshop. Mr. Weinstein discussed the agenda for the workshop was set by the OUHSD District and the invitations were set out by the District to the expert speakers. Counsel McAvoy wanted to point out that Canterbury is employed by the Trust and to a certain extent, the Trust must concur that it's all right for its advisors to be invited by the District to speak because they are speaking on behalf of the Trust, not on behalf of the District. Counsel McAvoy also reported that Vance, Thrift & Biller has never attended this Trust's meetings and has never presented financials in person. They usually are behind the scenes and don't make presentations. This is the question, whether the Board of the Trust should communicate that is acceptable to them to have Canterbury Consultants and Vance, Thrift & Biller LLP participate. Mr. Weinstein expressed that the District sent out an invitation and they accepted. Trustee Davis reiterated that the Trust employs Canterbury and Vance, Thrift & Biller, LL. The Oxnard District Board wants them to present at this workshop and that might be too many speakers giving out too much information at one time. Mr. Weinstein discussed there is no charge for the speakers to attend. Trustee Valles discussed that Trustee Weinstein spent a lot of hours preparing for this workshop to give our retirees as much information as we can. Trustee Valles reviewed that our legal counsel has advised the Trust and the Trust now must take a vote on how to proceed. Trustee Valles asked Trustee Weinstein since he put this workshop together, does he feel he needs all the speakers. Trustee Weinstein reviewed his intention was to give confidence to the retirees and for them to understand that the decisions made are done by the District, Union and Board of Trust itself and that there are 3rd parties that review and offer public documents that can be reviewed by retirees. This gives the retirees an understanding that we rely on 3rd parties to help us make decisions.

Guest Dr. Gary Davis, President of the OUHSD Board of Trustees, asked if he can give some information on how the OUHSD District came up with this Study Session and guest speakers. Dr. Davis reported that a topic had come up to consider putting a retiree as a member on this Body and after much discussion the Trustees of the District decided not to act on that consideration but instead decided to do a Study Session and have appropriate parties, the actuary, and the investment consultants available. The OUHSD Board does not receive this information. This workshop would be a condensed agenda and presentations. Therefore, these groups were asked to be invited to give an understanding of what the Trust is and what it is intended to do and its status at this time. That was Trustee Weinstein's intention and nothing else. The Board felt if we are going to error, let's error on the side of having the significant parties to answer any questions there might be.

Trustee Davis discussed his concern of having the speakers discuss things that possibly this Trust has not heard. Trustee Davis discussed his concern of having people such as our accountant that we have never met show up at this Study Session. Trustee Weinstein discussed that they would keep their comments to their documents and he does not see any controversial topic that can come up. One of the concerns that came up with the retirees is lack of transparency, and if we begin to censor things than this is not a great way to move forward. We want to hear everything, so we can move forward.

Guest John Grisafe spoke and discussed that the information would be great to have at the Study Session and to have the opportunity to hear from the experts.

Counsel McAvoy discussed that the Trust is an independent organization and it is not the District. If the circumstances were reversed, the District would have asked the Trust to notify the District prior to the Trust's inviting the District's financial advisors to speak to the Trust Board. The spirit of the openness is wonderful and is consistent with the longtime attitude and actions of the Trust which has always had open meetings but from a legal perception it is important to recognize the Trust is an independent organization. The funds in the Trust are the property of the Trust and not of any other organization and the fiduciary duties in regards to the existing funds are within the purview of the Board of the Trust. That is the legal point that is important to

understand going into the Study Session.

Upon motion of Trustee Weinstein, seconded by Trustee Valles, the Board on a 6-0 voted to approve Canterbury to present at the OUHSD Board Study Session on August 29, 2018, as presented.

Upon motion of Trustee Weinstein, seconded by Trustee Valles, the Board on a 5-1 voted to approve Vance, Thrift, & Biller LLP to present at the OUHSD Board Study Session on August 29, 2018, as presented.

Counsel McAvoy asked how would the reimbursement of the speakers be handled? The Trust agreed payment if any would come from the Trust.

e. RFQ-P 566 Legal Services

At the past Board meeting, the Trust approved the issuing of the RFQ-P for Trust Legal Services. Trustee Davis stated that there was a concern that only one candidate applied, and the Trust was going to try to reach out to more firms and get additional candidates. Trustee Weinstein reported it's important to get more than one firm. Trustee Weinstein recommended putting out the RFQ-P again.

Upon motion of Trustee Weinstein, seconded by Trustee Thomas, the Board on a 6-0 vote approved to advertise the RFQ-P for Legal Services, as presented.

Upon motion of Trustee Weinstein, seconded by Trustee Montijo, the Board on a 6-0 vote approved the timeline for the RFQ-P for Legal services to be from September 4-October 31, 2018, as presented.

f. Setting of Future Board Meeting Dates/Times
November 8, 2018

Upon motion of Trustee Weinstein, seconded by Trustee Near, the Board on a 6-0 vote approved the next meeting for November 8, 2018 at 2pm, as presented.

VIII. CLOSED SESSION

No items for discussion

IX. ITEMS FOR FUTURE CONSIDERATION –

- a. Discussion of lack of response to the Trust response to the Grand Jury and the Trust response to Counsel to the Retirees
- b. Information on August 29, 2018 workshop
- c. Accounting Services – Formal Audit
- d. Governmental Accounting Standards Board (GASB) 75

X. FUTURE MEETINGS:

- a. November 8, 2018 2pm

XI. ADJOURNMENT

Upon motion of Trustee Davis, seconded by Trustee Thomas, the Board on a 6-0 vote approved the meeting was adjourned at 3:03 pm.