A regular meeting of the DART Defined Benefit Retirement Plan and Trust was held on Tuesday, March 26, 2019, at 10:00 a.m. in the HC Training Room, 1401 Pacific Avenue, 4th Floor, Dallas, Texas.

Present were Committee Members: Patrick Kennedy, Joe Costello, Larry Knott, Reginald Moore, Nicole Fontayne-Bárdowell (Arrived 10:22 AM-Departed 11:39 AM)

Retirement Committee Secretary: Blake Horton (Departed 11:39 AM)

Retirement Plan Consultants: Robert Longfield, via phone (Gavion)
Brad Heinrichs, Lindsey Redman (Foster & Foster)
Greg Manning, Kevin Smith (Crowe)

Presenters: Richard Walsh (Oppenheimer)

Others: Tammy Barrow, Lisa Revell (Human Capital)
Dwight Burns, Beverly Adler, Katy Galindo, Tadele Gelassie (Finance)
Peter Brannan (Legal)

Visitors: None

Item #1: Determination of Quorum
It was determined a quorum was present at 10:06 a.m. Listed above are the members of the Committee who attended the meeting.

Item #2: Approval of Minutes for the Regular Meeting held February 26, 2018
Mr. Moore moved the minutes be accepted with any necessary adjustments. Mr. Knott seconded the motion. The motion was approved.

Item #3: DB Plan Financial Audit
Mr. Smith told the Committee the DB Retirement Plan Financial Audit draft is subject to one final review, but he considers it final. Mr. Smith explained the focus of the audit was 3 specific areas. They are as follows: Accuracy of the census data, completeness of investments and valuation of those investments; and the reasonableness of their assumptions.

Mr. Manning provided the details of the audit and concluded Crowe is issuing a clean, unmodified opinion in accordance with GAP and that no deficiencies were found.
Item #4  **DB Plan Valuation**

Mr. Heinrichs began his overview with an explanation of the change of actuarial mortality tables and made the following comments on the changes and the overall Valuation:

- In the past, mortality tables only took corporate workforces into account
- A new separate table has been created just for the Public Sector (general employees, teachers and public safety)
- DART falls into the general employees’ category
- Surprisingly, corporate workers have a lower mortality than public sector (example - steelworkers and coal miners)
- The largest cost to the Plan is paying off/amortization of the unfunded liability
- The one thing suggested for the next Valuation is to consolidate and shorten the amortization

There was a discussion on changes of assumptions. It was decided that Mr. Heinrichs will return to a future meeting with a consolidation illustration to display a shorter amortization.

Mr. Knott made a motion to accept the Audit Report as stated. Messrs. Costello and Moore seconded the motion. The motion was unanimously approved.

Item #5  **Approval of Retirements**

Mr. Horton presented the retirements of Robert E. Jones, William Brown, Henry Reed (Normal) and Dexter Barrett (Deferred Vested). Mr. Moore moved the retirements be accepted. Mr. Knott seconded the motion. The motion was unanimously approved.

Item #6:  **Approval of Expenses**

Mr. Knott moved the expenses be accepted. Mr. Costello seconded the motion. The motion was unanimously approved.

Ms. Fontayne-Bárdowell left the meeting after the Committee Chair vote.

Item #7:  **Gavion**

a)  **Fund Manager Presentation (Oppenheimer)**

Mr. Walsh gave an overview of the Oppenheimer Fund.

b)  **Monthly Performance Update**

Mr. Longfield made the following comments on the Monthly Performance Update:

- The total Fund balance was $178 million
- The stock market continued to rally in February and the DART equity portfolio is up 13.6% for the two months
- The bond market lost a little in February, but the DART portfolio is still up 1.2% for the two months
- Bond performance for the month was hindered by Brandywine’s 1.2% decline, still up 2.2% year to date
- Gavion’s recommendation for the $10 million deposit - $2 million to Northern Trust S&P 500 index fund, $4.3 million to Seizert, $2 million to Brandywine, $2 million to Guggenheim, (total $10.3 million) and reducing cash by $300,000

Mr. Knott moved Gavion’s recommendation be accepted. Mr. Costello seconded the motion. The motion was approved.

**Item #8**  
**Other Business**

a) **Retirement Administration Report**  
This item was not addressed.

b) **Committee Chair Election** (Acting Chair Patrick Kennedy was asked to change order of the agenda items, allowing action on the election of the new Committee Chair, due to Fontayne-Bárdowell needing to depart for a 12:00 PM Board Audit Committee meeting).

Mr. Knott made a motion to nominate Mr. Costello as Committee Chair. Ms. Fontayne-Bárdowell seconded the motion. Mr. Costello accepted the nomination. The motion was unanimously approved.

c) **Cohen Milstein Sellers & Toll PLLC – Request for Fund authorization to proceed.** Mr. Brannan brought to the Committee the request from the Law firm for consideration and for a vote. DART was invited to participate as a named plaintiff in a class action lawsuit against multiple defendants, including, Bank of America (DART’s bank/bond underwriter), J.P Morgan Chase, and Deutsche Bank, for price fixing. After discussion Mr. Brannan indicated that the DART Defined Benefit Pension committee could participate in the class action, but not act as the main plaintiff. Mr. Brannan outlined the reasons not to be named plaintiff and potential risks. Mr. Knott asked if it was illegal. Mr. Brannan’s reply was, no. Mr. Brannan also informed the Committee that they have been asked to act on this by tomorrow.

Mr. Knott suggested DART participate in the lawsuit and take on the lead role. Mr. Moore made a motion to participate in the law suit, but not specifically as a lead plaintiff. Mr. Knott seconded the motion. The motion was approved by the four committee members in attendance. Ms. Fontayne-Bárdowell was not present for the vote.

Mr. Knott made a second motion to act as the lead in this case. Mr. Moore seconded the motion. After further discussion, the motion was accepted and approved by the four committee members in attendance. Ms. Fontayne-Bárdowell was not present for the vote.

**Item #9**  
**Comments**

None

**Item #8:**  
**Adjournment**
The meeting adjourned at 12:14 p.m.

Patrick Kennedy, Acting Chairman  

Date

Committee Secretary  

Date