

**Minutes**  
**Meeting of the Trustees of Utrust**  
May 26, 2017

Trustees of Utrust met May 26, 2017 at the Utrust offices. Attending the meeting were: Chairman David Jones, Trustees: Vice-Chairman Joey Cooper, Roger Greene, Dawn Fry, Jasper Taylor, Regina Waller and Norma Tate. Trust Attorney Dewey Branstetter; staff members: Dr. Dan Tollett, Trust Administrator, Kristi Coleman, Director of Finance & Administration and Dameron Johnson, Communications Specialist; and Daniel Shore from SunTrust Investment Firm.

Chairman David Jones called the meeting to order at 2:00 p.m. He welcomed all participants. He noted that this was the first meeting for Dawn Fry, a new trustee from Putnam County replacing Don Weathers as a Middle Tennessee representative. He requested a motion for adoption of the consent agenda.

**Cooper/Taylor** Motion to adopt the consent agenda. **Motion carried unanimously.**

**Administrator's Report**

Dr. Tollett expressed appreciation to the trustees for changing the meeting date even though, in some cases, it worked a hardship on them. He welcomed Dawn Fry as a new trustee fulfilling the unexpired term of Don Weathers. He presented an overview of the meeting, mentioning that investments had reached an all time high.

He said that, in an effort to acquaint them with information about Utrust and its services, he and Kristi had visited new superintendents and several others to include: Greene, DeKalb, Clinton, Humphries, West Carroll, Tipton, Putnam, Houston, Wilson, Hickman, Haywood, Alamo, Lebanon, Grainger, McNairy, Van Buren, Lake, South Carroll, Moore, Anderson, Fentress, Jackson and Benton. He also said that staff would be returning to Tipton County to meet with coordinators next month.

He reported that the staff was thrilled with the momentum that the appreciation program has picked up with the beginning of this school year. He said that the Utrust Coordinators Facebook page had been extremely busy with photos and summaries posted by coordinators.

He reported that he and Kristi had lunch with Don Weathers to share some of the comments of appreciation from the trustees and to present him with a resolution of appreciation and a gift card. He said that Don seemed genuinely appreciative.

He reported that a letter from Wilson County had been received saying that the school system wished to terminate membership in Utrust. He distributed copies of the letter as well as the response sent to Wilson County Superintendent with copies to board members. The letter from Utrust pointed out that Wilson County had received from Utrust over \$206,000 more than Wilson County had paid to Utrust. It also said that Wilson County had received \$158,100 in mini grants over the last 4 years.

He said that Utrust continues to receive accolades for the mini-grants, especially from teachers in systems where they allow the teachers to apply for mini-grants for their classrooms. He read a note of appreciation from Surgoinville Middle School as an example. He said that Utrust is much more than an Unemployment Compensation Trust. It is enabling teachers to do things to enhance student learning. He concluded that through our Appreciation Program we are making schools happier places by improving morale, performance, attitudes and relationships and making students and staff want to come to school.

## Investment Report

Daniel Short from SunTrust stated that during the first quarter 2017, the Utrust investment portfolio performed well, advancing 4.71%, 10.53% fiscal year to date through March 31, 2017 and ahead 12.77% for the trailing one year period. In each period the portfolio was ahead of the benchmark. Equities and fixed income each contributed positively to total portfolio returns. Additionally, active managers continued to drive excess returns relative to benchmarks. The equity portfolio is diversified by market capitalization within the US and also includes international developed and emerging market allocations. The fixed income allocation was increased in early March when the 10-year US Treasury yield reached 2.60% and funded by taking some profits in equities.

During the first quarter of 2017, the Federal Reserve raised interest rates 25 basis points with commitments to raise rates again in 2017 based on underlying strength in employment and the US economy. Consistent with Fed action, SunTrust's outlook for 2017 remains positive and continues to emphasize equities over fixed income. We will continue to actively manage the portfolio and watch closely for changes that may result from policy initiatives here in the US or abroad.

**Greene/Tate**

Motion to approve investment report. **Motion carried unanimously.**

## Financial Report

Kristi Coleman presented the financial report for April 30, 2017. She reported that since the beginning of the fiscal year, the investments had continued to perform well. As a result, the income is significantly more than anticipated causing a net profit of \$1,446,780.25. She stated that almost all of the mini-grant funds had been paid out to member boards with only two who haven't collected the total amount made available to them.

She said that claims have been less than projected for the year and she expects this trend to continue until the end of the fiscal year. She reported the expenses were well under budget totaling 62.1% as of April 30.

**Cooper/Taylor**

Motion to approve the financial report as of April 30, 2017. **Motion carried unanimously.**

## Premium Proposal

Kristi Coleman presented a proposal for premiums for the 2018 fiscal year. She said that premiums were calculated according to the current bylaws that state premiums will be the average of each member system's claims for the past four and a half years plus dividends or average claims plus dividends since 1990 depending on the experience rating for that system.

**Taylor/Waller**

Motion to approve proposed premiums for 2017/18. **Motion carried unanimously.**

## Report of Progress of 2016-17 Goals

Dr. Tollett gave a brief report of accomplishment of goals and objectives for the 2016-17 year. He commented on the progress made toward each goal. A copy of that progress report as adopted by the Board of Trustees is attached.

**Chairman Jones recessed the meeting at 3:05 p.m. He called the meeting back to order at 3:15 p.m.**

### **Member Appreciation Event**

Dr. Tollett stated because the Member Appreciation Dinner has been moved to Friday night, the General Jackson Showboat appears to be the best venue for the event and he so recommended.

**Taylor/Greene**

Motion to hold the membership appreciation dinner at the General Jackson. **Motion carried unanimously.**

### **Employee Appreciation Program**

Dameron Johnson reported about the Employee Appreciation Program beginning with why this program is vital to the success and development of students today. She stated that one coordinator said reduction of bullying in her middle school is a direct result of students participating in this program. Trustee, Joey Cooper spoke how the EAP improves quality of work by staff members and provides a team atmosphere in schools. He stated the Benton County school board members actively support the program by passing resolutions to set dates of the appreciation days, participate in presentations and at board meetings hear about the celebrations in each of the schools.

Trustees participated in an interactive activity. They were asked to rank from 1 to 5 the most important items found in every packet such as thank you notes, board passing resolutions, theme-related posters, goodie bags, etc. After the ranking, the board discussed ways to improve the information provided to our members.

### **Annual Goals & Objectives**

Dr. Tollett said that the staff had prepared and agreed upon the proposed goals and objectives for 2017–18. He said the staff would welcome additional goals that board members might suggest but in the absence of such, he recommended adoption of the goals as presented.

**Cooper/Greene**

Motion to approve annual goals and objectives. **Motion carried unanimously.**

### **Trust Administrator Performance Evaluation**

Mr. Branstetter gave the trustees a compilation of the results of the Trust Administrator Performance Evaluation that had been previously distributed to and completed on line by individual trustees along with comments. Attached are the summary results of the evaluation.

Group Average (4 is the maximum score possible) was an overall average rating of 3.81.

### **Proposed Budget**

Dr. Tollett presented an overview of the 2017-18 proposed budget. He said that budget notes were included to explain each budget item. He encouraged comments and questions about the budget and he and/or Kristi Coleman responded to each question.

**Cooper/Tate**

Motion to approve proposed budget. **Motion carried unanimously.**

### **Credit Card Increase**

Dr. Tollett recommended the credit card limit be increased from \$3,500 for both Kristi Coleman and Dan Tollett to \$7,000 each. He said that twice a year the current limit poses a problem when making travel and dinner arrangements for the trustee meetings. The new limit would solve this problem.

#### **Cooper/Tate**

Motion to increase the credit card limit to \$7,000 each for Dan Tollett and Kristi Coleman. **Motion carried unanimously.**

### **Audit Firm Proposal**

Dr. Tollett recommended the approval of the Blankenship CPA Group to provide auditing services beginning in the 2017-18 fiscal year due to Dan Canter our current auditor retiring. He said that the fee was comparable to the fee being paid to Dan Canter. Blankenship CPA Group is located in Goodlettsville and is on the state approved audit firms. Kristi summarized comments from references all of which were highly positive.

#### **Tate/Cooper**

Motion to approve hiring Blankenship CPA Group to handle auditing services beginning in the 2017-18 year.

### **Utrust Appreciation Program**

Dr. Tollett showed a video clip of teachers expressing appreciation to students and asked trustees to consider if they wanted to add a component of teachers thanking students as part of the appreciation program beginning next year.

#### **Fry/Waller**

Motion to add a component of teachers thanking students to the appreciation program.

### **Meeting Date**

The next trustee meeting was set for September 22, 2017 at the Utrust offices.

### **Meeting Adjourned**

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David Jones, Chairman

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Dan Tollett, Trust Administrator