

Minutes
Meeting of the Trustees of Utrust
May 7, 2021

Trustees of Utrust met May 7, 2021 at the Utrust offices. Attending the meeting were: Chairman David Jones, Trustees: Vice-Chairman Joey Cooper, Dawn Fry, Roger Greene, Jasper Taylor, Norma Tate and Regina Waller. Trust Attorney Dewey Branstetter; staff members: Dr. Dan Tollett, Trust Administrator, Kristi Coleman, Director of Finance & Administration and Dameron Johnson, Communications Specialist; and Mike Hill from Truist Investment Firm.

Chairman David Jones called the meeting to order at 2:00 p.m. He welcomed all participants. He requested a motion for adoption of the consent agenda.

Greene/Fry Motion to adopt the consent agenda. **Motion carried unanimously.**

Administrator's Report

Dr. Tollett reported that in many ways this has been the best year in the history of Utrust. He said that we feared that financially it might be disastrous because of the pandemic but it has been just the opposite. Likewise, in terms of our relationship with our membership when we could not visit and interact in person, we have actually developed deeper relationships as our members have sought help and advice like never before.

He was highly complimentary of Kristi's work and said that she has been an invaluable resource for financial and personnel employees of our members by providing assistance which they desperately needed but could not find anywhere else. Specifically, he mentioned that large numbers of employees who did not qualify for unemployment filed anyway because they were especially seeking to get the extra \$600 provided by the federal government. When a few applied and were approved, the floodgates opened and local school board staff did not know what to do. Kristi not only studied the issues, but developed a relationship with DOL employees who have been enormously helpful in bypassing red tape for members.

He said that Utrust developed and shared procedures for dealing with substitute teachers and worked diligently with members to deal with related issues. He said that a wave of outright fraud followed where claims were filed by non-employees using an employee's social security number to file for unemployment. Again, we helped our members deal with those issues.

He said that our members deeply appreciated the help they received from Utrust in these matters and even referred their friends in non-member systems to Utrust as the only source of help they had found so we have helped several non-member systems who wanted to become members of Utrust.

Jasper's Reelection. He pointed out that Jasper will be the sixth trustee to be elected for a seven-year term. That is extremely important in protecting the integrity of the trust.

Mini Grants Are Making a Difference. We have seen a sharp rise in the number of schools and school districts who are using a part of their mini grant for staff appreciation. They feel that their staff members have gone above and beyond what was required and they want them to know that they are appreciated. He said that we're continuing to see some innovative programs and showed a slideshow to document some of the excellent projects supported by Utrust mini grants.

Trustee Choice Grants. He said that from the perspective of the staff, the Trustee Choice Grants were what we hoped they would be. He asked each trustee to report on the project(s) they had chosen. After which trustees expressed strong support for continuing these grants.

Investment Report

For the period ending March 31, 2021, Mike Hill from Truist reported the Utrust portfolio advanced 2.6% for the quarter and is ahead 38% for the trailing 12 months and all time periods were performing ahead of benchmarks. In late 2020 and early 2021, the portfolio was rebalanced to balance the growth and value exposure in both domestic and international equities. This removed the significant overweight that was in place in 2020 to the growth style. The rebalance of the portfolio is consistent with our expectations the economic recovery will continue and will broaden out to many sectors of the economy that did not perform well in 2020. The portfolio allocation reflects the expectation of broader growth in the US (and to a lesser extent international) economy benefiting from continued fiscal and monetary policy support, vaccinations, consumer's pent up demand and strong earnings. The factors are expected to be positives for the economy and equity market and will likely be headwinds for fixed income as investors anticipate yields will rise in the coming months.

Cooper/Tate

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

Budget Amendment

Dr. Tollett presented budget amendments to the awards and consultants line items for trustee consideration.

Awards. Add \$2,000 to the expenditures to cover awards given to two school districts who filed for the Best School Appreciation Programs in East and West Tennessee.

Consultants. Add \$5,000 to cover expenditures for legal services that were necessary due to complications with COVID and the CARES Act to ensure our policies and procedures were consistent with practices.

Taylor/Waller

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

Financial Report

Kristi Coleman presented the financial report for March 31, 2021. She reported that investments have substantially outperformed expectations resulting in a significant net income year to date of over \$3.4 million. She stated the efforts put in the summer and fall of last year for the unemployment benefits that were awarded in error have started to pay off. As a result, claims have declined with many members reporting a credit on their account as those employees were required to pay back benefits paid in error. She reported that most of the mini-grant funds had been paid out to member boards with a few systems who didn't apply for the funds made available to them.

Cooper/Fry

Motion to approve the financial report as of March 31, 2021. **Motion carried unanimously.**

Premium Proposal

Kristi Coleman presented a proposal for premiums for the 2022 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.

Greene/Tate

Motion to approve proposed premiums for 2021/22. **Motion carried unanimously.**

Chairman Jones recessed the meeting at 3:05 p.m. He called the meeting back to order at 3:10 p.m.

Report of Progress of 2020-21 Goals

Dr. Tollett gave a brief report of accomplishment of goals and objectives for the 2020-21 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

Member Appreciation Event/Innovation Grants

Dr. Tollett recommended the Annual Member Appreciation Dinner be canceled due to uncertainty the impact of the COVID-19 pandemic would have in the fall when the dinner is held. He stated it was highly possible that many people might have reservations about participating in gatherings of that size especially eating together and riding in crowded buses. He said that considerable non-refundable financial commitment is required in advance of this meeting and in light of the uncertainty about attendance, it would be prudent to not hold the dinner this year.

He said the staff recommended to take the \$50,000 we traditionally spend on the dinner and add \$40,000 to it and establish up to nine one time \$10,000 innovation grants. Three \$10,000 grants would be dedicated to each grand division. The grants would be competitive and offered exclusively to member district schools. They would not be for things the school district would normally fund but would give principals and their staff an opportunity to propose an innovative project they believe would make a big difference to their schools.

Fry/Taylor

Motion to cancel the annual member appreciation dinner due to COVID-19 pandemic and establish up to 9 one-time \$10,000 innovation grants.

Motion carried unanimously.

Utrust Appreciation Program

Dameron Johnson updated the Trustees on the Utrust Appreciation Program by first going over the successful 2020-21 appreciation year in spite of all the challenges of COVID. She read over the themes for the upcoming 2021-22 year and talked about the excitement these themes will generate for students and staff members.

She then talked about the great work put into creating a rewritten song for each group of honorees. She played a montage of songs. The Trustees had a positive reaction and stated their favorite ones. Ms. Johnson emphasized the fact that singing songs to the honorees is a free thing to do with a big impact. She stated a song packet will be available on the website this summer for the school coordinators to download and start thinking about how to use them.

Annual Goals & Objectives

Dr. Tollett said that the staff had prepared and agreed upon the proposed goals and objectives for 2021–22. He said the staff would welcome additional goals or changes that the board might prefer but in the absence of such, he recommended adoption of the goals as presented.

Cooper/Waller

Motion to approve annual goals and objectives.

Motion carried unanimously.

Legal Update

Mr. Branstetter gave a brief report regarding some recent legislation passed which reduced to the total number of weeks a claimant can receive unemployment benefits from 26 weeks to 12 weeks with the opportunity to increase up to 20 weeks dependent on the current

unemployment rate in Tennessee. He reported this change is scheduled to take effect in December, 2023.

He also 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 3.85.

Cooper/Fry: Motion to approve the Trust Administrator Evaluation.
Motion carried unanimously.

Proposed Budget

Dr. Tollett presented an overview of the 2021-22 proposed budget including an additional \$1,000 to be added to the awards line item to cover G-Force awards. 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.

Greene/Fry Motion to approve proposed budget. **Motion carried unanimously.**

Report of the Nominating Committee

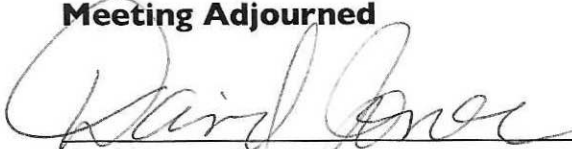
David Jones, chair of the nominating committee which included Joey Cooper and Roger Greene reported that the committee was pleased to unanimously recommend the re-election of Jasper Taylor for a West Tennessee Trustee position.

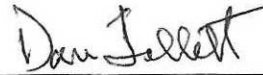
Greene/Cooper Motion to nominate Jasper Taylor as a West Tennessee Representative on the Utrust Board of Trustees for a seven-year term.

Meeting Date

The next trustee meeting was set for October 1, 2021 at the Utrust offices.

Meeting Adjourned


David Jones, Chairman


Dan Tollett, Trust Administrator