MDC

The Metropolitan District
water supply · environmental services · geographic information

PERSONNEL, PENSION & INSURANCE COMMITTEE
REGULAR MEETING
WEDNESDAY, NOVEMBER 10, 2021
4:00 PM

Location
Board Room
District Headquarters
555 Main Street, Hartford

Dial in #: (415)-655-0001;
Access Code: 43808661#
Meeting Video Link

Commissioners

Avedisian	Marotta
Currey	Pane
DiBella (Ex-Officio)	Patel
Kambli	Salemi
Lester	Sweezy (VC)
Magnan	Taylor (C)

Quorum: 6

1. **CALL TO ORDER**
2. **PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**
3. **APPROVAL OF MEETING MINUTES OF SEPTEMBER 20, 2021**
4. **REPORT RE: EEO OFFICER REPORT ON EMPLOYEE TRAINING RE: DISCRIMINATION AND WHISTLEBLOWER POLICY**
5. **DISCUSSION RE: HR UPDATE ON EMPOYEE HANDBOOK AND HR POLICIES**
6. **DISCUSSION RE: HR UPDATE ON EMPLOYEE BENEFITS CONSULTANT - USI**
7. **CONSIDERATION AND POTENTIAL ACTION RE: APPROVAL OF PENSION INVESTMENT POLICY**
8. **OPPORTUNITY FOR GENERAL PUBLIC COMMENTS**
9. **COMMISSIONER COMMENTS & QUESTIONS**
10. **ADJOURNMENT**

EEO/AA AND WHISTLE BLOWER UPDATE

11/10/21

MDC AFFIRMATIVE ACTION PLAN
2021 update

AA plan recommended for approval by CHRO

Good faith efforts to diversify workforce

Program Goal for 2020/2021

Expand Recruitment Outreach

AA/EEO and Whistleblower Policy Workshops

- Ensuring all employees
  - Are aware of and familiar with the policies
  - Understand their rights to file under the policies
  - Know the processes for filing a complaint

Outreach to Employees

22 workshops

320 employees trained

Overview of workshop content

EEO POLICY

- **Prohibits discrimination in the workplace based on a protected classes such as race, gender, religion, ethnicity, disability etc..**

WHISTLEBLOWER POLICY

- **Encourage employees to make good faith reports of suspected illegal, unethical practices, violations of state or federals laws or regulations, danger to public safety occurring in the MDC**
- **Can report anonymously**

FILING A COMPLAINT UNDER THE WHISTLEBLOWER/EEO POLICIES

- AVAILABLE AVENUES FOR FILING A COMPLAINT/REPORT
- WHAT ARE THE STEPS AFTER A COMPLAINT/ REPORT IS FILED

RIGHTS OF REPORTER

- **RIGHT TO ANONYMITY**
- **PROHIBITION OF RETALITAION**

Studies show that witnesses to internal fraud prefer to remain anonymous when reporting wrongdoing

- **Anonymous Reporting Option**
  - **enables employees to raise concerns which they might be reluctant to raise through other means**
  - **Could limit ability to effectively review concerns**

Metropolitan District – Renewal Summary

Active Medical/Dental – Anthem Blue Cross

USI ran a series of renewal projections for 2022. Those estimates drove a renewal range of -3.7% to 1.9% for the upcoming plan year. Based upon some concerns around large claim output, USI recommended a 5% increase which has been adopted for 2022. The renewal is driven by the following factors:

- Administrative fees decreased by 14.1%.
- Stop Loss fee increase of 34% (down from 39%).
- Rebate sharing is expected to increase from $780k to $1.2M.
  - Due to timing on rebate payments, $933k applied for 2022.
- On a melded basis, the overall reduction in fixed cost stood at $181k.
- On the claim side, we increased our claim budget by 6% to arrive at a melded increase of 5% (fixed costs and claims).

Although pleased with the adjustments around fixed costs, the goal will be a full marketing in 2023 – Anthem, Aetna, Cigna, United, and Connecticare.

Retirees– Zenith-American

A similar approach was applied to MDC's self-insured retiree program with Zenith-American. The estimated cost structure for 2022 reflects no change over the existing cost basis. USI is in the process of a deeper evaluation around a few key components of our retiree pricing structure.

- 62% of all claims paid are pharmacy based. To that end, do we have the most competitive discount structure in place currently?
- Rebate sharing drives a total return to the MDC of roughly $350k annually. Is the "sharing" arrangement the most competitive?

Pharmacy pricing/rebate sharing is not also transparent in nature. The goal is to make sure we understand the current arrangements and whether those arrangements are the most aggressive in terms of their value to the MDC.

Metropolitan District – Renewal Summary

Vision – Vision Service Plan (VSP)	Current plan remains the same with continued coverage for eye exams, frames, lenses, contracts, etc. The new rate basis will reflect a 5% decrease for 2022.
Life / Disability - Standard	Life and Disability coverage is managed through the Standard. The current policies are under an existing rate guarantee. The guarantee varies by group. - Union – rate guarantee through 1/1/2023 - Non-Union – rate guarantee through 1/1/2024 The approach will be to market both pieces in conjunction with the 1/1/2023 renewal cycle.
FSA – Chard Snyder	No change in the current FSA or DCA administrative fees. - Chard has issued a new administrative service agreement that is presently under review (USI).

APPROVAL OF PENSION INVESTMENT POLICY & GUIDELINES

To: Personnel, Pension and Insurance Committee for consideration on November 10, 2021

Dahab Associates Inc. is the pension investment advisor for the District and drafted the enclosed Investment Policy & Guidelines for the District's pension plan and recommends its adoption. The plan details the plan's objectives along with the roles and responsibilities of all parties serving the plan. The policy cites the statutory authority for the investment program, Conn. Gen. Stat. § 7-450 which requires that the investment and management of the assets of the pension trust be in compliance with the prudent investor rule.

It is therefore **RECOMMENDED** that it be

VOTED: That the Personnel, Pension & Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board hereby approves the attached Investment Policies & Guidelines for the Retirement Plan for the Employees of The Metropolitan District and authorizes staff to implement and administer said policy.

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

DRAFT

Retirement plan for employees of The Metropolitan District

Statement of Investment Policy and Guidelines

October 2021

I. Statement of Purpose

The investment management of the Retirement Plan for Employees of The Metropolitan District (the "Plan" or "Pension Trust") shall follow this Statement of Investment Policy and Guidelines as adopted October 4, 2021.

Statutory authority for the investment program of this Plan is provided by the provisions of section 7-450 of the Connecticut General Statutes. This Statement of Investment Policy and Guidelines applies only to the Pension Trust. This Statement of Investment Policy and Guidelines shall be reviewed annually, but may be amended at any time.

A. Objectives

The objective of the Plan's Investment Policy is to preserve the actuarial soundness of the Pension Trust. The Trust shall be for the purpose of funding current and future pension benefits for eligible participants in accordance with the Pension Trust.

The performance of the Plan will be measured each quarter for various rolling periods, but at a minimum three and five years. These periods are usually considered sufficient to accommodate the different market cycles commonly experienced with investments.

B. Fiduciary Standards

In striving to attain these objectives, the Plan will be managed in a manner consistent with fiduciary standards, namely:

1. All transactions shall be in the sole interest of the participants and their beneficiaries, and

2. All investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in an expert like capacity and familiar with such matters would use in conduct of an enterprise of like character and with the same aims, and

3. All entities dealing with the Plan are required to disclose conflicts of interest as soon as they become apparent, in writing to the Pension Board or as part of a public meeting when the problem becomes apparent.

The Pension Board, as described below, or the Trust Administrator acting on the Board's behalf, shall make its decisions solely for the benefit of plan members. All entities dealing with the Plan must conduct themselves in a manner worthy of the public trust, keeping in mind that the Plan is subject to public review and evaluation.

In general, the investment and management of the assets of the Plan shall be in compliance with the prudent investor rule as set forth in Connecticut General Statutes Sections 45a-541 to 45a-541*l*, inclusive.

II. Roles and Responsibilities

All parties serving the Plan at the date of the original adoption of this Statement of Investment Policy and Guidelines have 60 days to be in compliance with its provisions, or to notify the Pension Board in writing as to why they cannot be in compliance.

A. Pension Board

The District Board (the "Pension Board" or "Board"), or the Trust Administrator acting on the Board's behalf, has the responsibility of establishing and maintaining policies for all aspects of the Plan including:

- Setting of investment policy;

- Performing asset allocation for the Plan;
- Selecting, evaluating, and replacing investment professionals.

The Board, or the Trust Administrator acting on the Board's behalf, may select other professionals to assist in its duties.

B. Trust Administrator

The Metropolitan District has delegated the responsibility to its Personnel, Pension & Insurance Committee to plan, organize, and administer the operations of the Trust under broad policy guidance from the Board. These operations include but are not limited to accounting; administration of investments, attorneys, accountants, actuaries, consultants and select investment oversight.

C. Actuary

The Board or the Trust Administrator acting on the Board's behalf, will select an actuary to perform a valuation of the Plan as often as needed.

D. Investment Consultant

The Board, or the Trust Administrator acting on the Board's behalf, may engage an investment consultant. The investment consultant will give an independent perspective on the Plan, help select custodians and investment managers, review asset allocation, provide investment performance measurement, and assist in constructing a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The investment consultant is expected to attend meetings of the Board as needed and to perform asset allocation studies as needed.

The investment consultant will acknowledge in writing that he is a fiduciary of the plan relative to the provided services.

E. Custodian

The Custodian will hold all cash and securities or evidence thereof. The Custodian will be responsible for maintaining records, providing fund accounting and other services as defined in its contract.

The Custodian may not engage in financial transactions related to the Trust that are based on written or oral instructions from any person other than the Board, or the Trust Administrator acting on the Board's behalf.

F. Investment Managers

In managing assets for the Plan, the Board, or the Trust Administrator acting on the Board's behalf, may engage the services of investment managers. Investment managers buy and sell securities or other investments according to guidelines established for their particular asset class.

Investment managers are to acknowledge in writing that they are fiduciaries of the plan relative to provided services.

III. Pension Trust

The Pension Board, or the Trust Administrator acting on the Board's behalf, has three tasks to accomplish in managing the Trust: first, to adopt a realistic actuarial rate of return for the Trust; second, to recommend the level of contributions needed to keep the Trust financially sound; and third, to construct a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The Board, or the Trust Administrator acting on the Board's behalf, shall exercise an appropriate level of due diligence with respect to all aspects of the investments in the Trust, development of the asset allocation structure, selection of external investment managers and the monitoring of investment performance.

The Board or the Trust Administrator acting on the Board's behalf, is aware that mutual funds and other commingled vehicles have separate guidelines and/or prospectuses. When employing such vehicles, the Board or the Trust Administrator acting on the Board's behalf, acknowledges that those separate guidelines and/or prospectuses shall supersede the guidelines that follow.

A. Manager Responsibility

Managers of funds administered under the Trust must acknowledge fiduciary responsibility relative to their work with the plan. Managers shall be held to the prudent expert standard articulated in Section I.B.2. above.

B. Trust Characteristics

In constructing portfolios for the Trust, the Board or the Trust Administrator acting on the Board's behalf, should consider the following characteristics.

1. Liquidity

The Plan should have liquidity to meet its cash flow needs. Individual investments may have limited liquidity so long as they do not interfere with the operation of the Plan as a whole. The Board acknowledges the most liquid investments come at a cost of lower expected return. Some investments may be selected with limited liquidity if expected returns exceed those of the more liquid investments and/or if the investments provide greater risk mitigation.

2. Diversification

Assets should be diversified among asset categories, sectors, and geographic areas to minimize volatility.

3. Time Horizon

The time horizon of the Plan is perpetual. In projecting returns for the Plan, the Board may consider information from recent history (20 years), long-term history (about 70 years) or some combination of the two. The Board, or the Trust Administrator acting on the Board's behalf, must judge what data gives the best estimate for future returns by applying evidence from the past to current circumstances.

4. Risk Tolerance

The primary investment emphasis of the Trust is to preserve capital and achieve consistency of results. However, a secondary goal is to meet the actuarial rate of return. The Board, or the Trust Administrator acting on the Board's behalf, should strive to attain these goals while still meeting the actuarial rate of return.

The Board, or the Trust Administrator acting on the Board's behalf, recognizes that risk is present in all investments. The assumption of risk is needed to achieve satisfactory long-term results. It is the responsibility of the Board, or the Trust Administrator acting on the Board's behalf, to manage the tradeoff between risk and return given the projected needs of the Trust, always attempting to minimize risk of the overall portfolio for any given level of return.

5. Asset Allocation

An asset allocation study should be periodically performed. The study requires a projection of cash flows, which are dependent on contributions made into the Plan and disbursements made from the Plan in the form of benefits and expenses. The purpose of the asset allocation study is to understand the trade off between risk and return, and to aid in the construction of a portfolio that has a high probability of earning the actuarial rate of return but achieves this goal with a minimum of volatility.

6. Rebalancing

Once policy targets for the asset allocation are set in the asset allocation study, the Board, or the Trust Administrator acting on the Board's behalf, in conjunction with the investment consultant, should monitor and rebalance the Plan in an effort to keep the asset allocation in line with the policy target while at the same time minimizing transaction costs.

C. Investment Alternatives

Investment alternatives are divided into four broad categories: fixed income, domestic equity, international equity and alternative investments.

Fixed income investments shall be used primarily to provide stability of principle. Domestic equity and international equity may be added to enhance return. Alternative investments may be added to enhance return, and to provide diversification that will reduce volatility.

The Plan also participates in an Immediate Participation Guarantee used to fund benefits that have been guaranteed to past and present Plan participants; the Board has limited control over these assets. They offset guaranteed benefits and fluctuate as the relation between the actuarial value of the liabilities and underlying assets change. This investment has been reviewed in the past and is periodically evaluated. At present, because of contractual obligations and the costs associated with reallocation, this allocation has remained.

D. Performance Standards

Each manager hired will be assigned a benchmark. Active managers are expected to exceed their benchmark net of fees, and to perform in the upper half of a universe of managers in a similar style over a market cycle. Passive managers are expected to track their respective benchmarks with minimal tracking error. Guidelines for each of the asset classes are outlined in the next section.

IV. Manager Guidelines

A. Fixed Income Managers

1. Investment objective. Active bond managers are expected to beat a benchmark appropriate to their style, and to perform in the top half of a universe of similar portfolios. The benchmark used for comparison should be assigned to the manager as part of the selection process.

2. Permissible securities. Fixed income managers may invest in U.S. Government and agency bonds, U.S. domestic corporate bonds, asset-backed and mortgage-backed securities, and convertible bonds.

3. Non-permissible securities. Fixed income managers are prohibited from investing in equity securities (except for term trusts) and municipal bonds. Fixed income managers are also prohibited from investing in commodities, unregistered letter stock, foreign securities (other than those evidenced by American Depository Receipts which are listed on the New York Stock Exchange (NYSE), warrants, loans of portfolio securities, venture capital issues and private placements.

4. Non-permissible transactions. Fixed income managers are prohibited from purchasing securities on margin or selling short.

5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.

6. Marketability. Fixed income securities should be readily marketable.

7. Diversification. Fixed income obligations of any one issuer, other than securities subject to the guarantee of the United States government or any of its agencies, should represent no more than 5% of the aggregate fair market value of a manager's portfolio.

B. Domestic Equity Managers

1. Investment Objective. Active equity managers are expected to outperform a benchmark appropriate to their style (value, core or growth) and market capitalization (large, mid and small). In addition, active equity managers should be ranked in the upper half of a universe of similar portfolios. Passive equity managers are expected to track their appropriate benchmark.

2. Permissible securities. Equity managers may invest in common stocks, convertible securities, and American Depositary Receipts (ADRs) and for listed securities of foreign corporations. Listed securities are those traded on the NYSE, American Stock Exchange (AMEX) and National Association of Securities Dealers Automated Quotation System (NASDAQ) exchanges. Any investment in convertible debentures must carry an investment grade rating of "A" or better. Securities purchased should come from the universe of their benchmark – or closely resemble them. For example, a large cap value manager should largely purchase large cap value securities. However, it is acceptable to purchase a modest amount of mid cap value or large cap growth as long as the characteristics and the performance of the fund generally resemble those of a large cap value fund.

3. Non-permissible securities. Equity managers may not invest in foreign securities other than those defined above, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.

4. Non-permissible transactions. Except with the written consent of the Board, or the Trust Administrator acting on the Board's behalf, equity managers may not purchase securities on margin or sell short.

5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and the Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.

6. Marketability. Securities should be marketable. It is understood that small- and mid-capitalization stocks offer less liquidity than more widely held securities.

7. Diversification. Equity investments by a manager in any single corporation shall be limited to no more than 5% of the manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% of the manager's total portfolio at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The manager should inform the Board and the Trust Administrator in writing of any violation within 10 business days of its occurrence.

8. Income. There are no minimum yield or dividend requirements.

C. International Equity Managers

1. Investment objective. Active international equity managers are expected to outperform a benchmark appropriate to their style. In addition, active international equity managers should be ranked in the upper half of a universe of similar portfolios.

2. Permissible securities. International equity managers must invest in securities of companies not domiciled in the United States, including common stocks traded on any major stock exchange or ADRs traded in the United States, global depository receipts (GDRs) and preferred stocks traded on any major stock exchange. International equities include equities of both developed countries and emerging markets.

3. Non-permissible securities. Foreign equity managers may not invest in equities of U.S.-domiciled companies, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.

4. Non-permissible transactions. Except with the written consent of the Board, or the Trust Administrator acting on the Board's behalf, managers may not purchase securities on margin or sell short.

5. Cash Balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.

6. Marketability. Securities should be marketable. It is understood that international equity securities, especially in emerging markets, offer less liquidity than more widely held securities.

7. Diversification. Equity investments by a manager in any single corporation shall be limited to no more than 5% of the manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The manager should inform the Board and Trust Administrator in writing of any violation within 10 business days.

8. Income. There are no minimum yield or dividend requirements.

D. Alternative Investments

Alternative investments should be considered with the goal of increasing the return of the portfolio without increasing risk, or lowering risk of the overall portfolio without lowering return.

If the Board, or the Trust Administrator acting on the Board's behalf, allocates part of the portfolio to an alternative asset class, separate investment guidelines specific to that asset class shall be adopted.

V. Manager Guidelines

Investment managers may not act upon written or oral instructions from any person other than the Board, or the Trust Administrator acting on behalf of the Board or the Administrator.

A. Discretionary Authority

Managers are given full discretion to act in accordance with the Statement of Investment Policy and Guidelines. In placing portfolio transaction orders on behalf of the Trust, each manager shall obtain execution of orders through responsible broker/dealers at the most favorable prices and at competitive commission rates, taking into consideration the efficiency of execution of the transaction.

B. Reporting

1. Within 14 calendar days a manager must inform the Board and Trust Administrator of changes in organizational structure, ownership, or key personnel. Also a manager must inform the Board and Trust Administrator of material litigation brought by a client or former client relating to investment advisory services, or any enforcement proceeding by a regulatory agency that would have a material effect on the manager, within 14 calendar days after the manager has been notified of the litigation or the enforcement proceeding.

2. On a monthly basis each manager is to submit a portfolio statement to the Board and Trust Administrator. The monthly statement should include market and book values for all security holdings and performance results compared with the designated benchmark.

3. On a quarterly basis each manager is to submit a brief letter or report to the Board and Trust Administrator on the status of and outlook for his or her portfolio. The report should address the following:

    - Economic investment and outlook;
    - Investment strategy (short- and intermediate-term)
    - Explanation of any high concentrations in any one sector or security;
    - A list of portfolio holdings or a summary of the largest holdings;
    - Commissions on trades upon request;
    - Market and book values for all security holding;
    - Performance results compared with designated benchmarks;
    - Brokerage commission reports (if any);
    - Turnover ratio;
    - Derivative use;
    - Quality ratings with average quality (for fixed income portfolios).

4. On an annual basis each manager may be required to submit an annual proxy voting report and the filing of Form ADV with the Securities and Exchange Commission.

C. Proxy Voting

The Board requires that managers exercise authority with regard to proxy voting, acting solely in the interest of and for the exclusive purpose of providing benefits to participants and beneficiaries, and always acting in the best interests of participants and beneficiaries. With regard to corporate governance, proxy votes should be against proposals to limit or eliminate liability for violation of duty of care and to indemnify directors in instances of gross negligence.

Managers shall be able to provide, upon request, an annual proxy voting report that shall include the following:

- Summation of all votes cast;
- Affirmation that all stock holdings with votes due were voted;
- Description of proposed changes in proxy voting policies;
- Confirmation that all votes cast were consistent with policy;
- Explanation of any violation of the previous requirements.

D. Cost Management

1. Turnover. The Board acknowledges that in the course of a year, investment conditions and opportunities will require managers to buy and sell securities on the Board's behalf. While the Board does not wish to inhibit the normal transactions executed by the managers, it does wish to be made aware of the need for any high levels of turnover to avoid churning the portfolio. The following reporting requirements are therefore for control purposes and are not necessarily intended to limit portfolio turnover to the stated limits.

    - Turnover is defined as the lesser of total purchases or sales divided by opening balance. Convertible bonds are considered equity surrogates and are subject to the discussions for common stocks. Preferred stocks are considered perpetual bond surrogates and are subject to the discussions for corporate bonds.

- Equity turnover. Within five business days of the time in any calendar quarter in which the cumulative equity turnover during the quarter exceeds 30%, or within any calendar year in which the cumulative equity turnover exceeds 100%, the manager must submit a report to the Board and Trust Administrator stating the reason for the turnover as well as a list of any brokerage firms whose fees during the quarter or year exceeded $10,000.

- Fixed income turnover. Within five business days of the time in any calendar quarter in which the cumulative fixed income turnover during the quarter exceeds 100% or within any calendar year in which the cumulative fixed income turnover exceeds 200%, the manager must submit a report to the Board and Trust Administrator stating the reason for the turnover as well as a list of any brokerage firms handling more than 20% of the subject trades. U.S. government securities, used as collateral as part of the repurchase agreements, are exempt from this requirement.

- Turnover may be considered as one factor in the money manager selection and retention process.

2. Broker Relations. The manager is free to execute trades whenever it is in the best interests of the Trust, and will have the discretion to execute transactions with brokerage firms of his or her choosing.

    - The selection of a broker should be based on the quality of executions. Factors affecting the quality of executions include the financial health of the brokerage firm, the business integrity of the brokerage firm, commission costs and overall efficiency.

    - Commission dollars are a Trust asset and should not be used for purposes other than those that directly benefit Trust participants. The manager is required to provide reports and descriptions of all soft dollar arrangements involving the use of commission dollars to acquire resources of any type.

VI. Execution of Investment Policy

IN WITNESS WHEREOF, this document has been approved and executed by the undersigned on this

_____________ day of xxxxx__, 2021

Retirement Plan for Employees of The Metropolitan District

Date: ______________

By:____
Trust Administrator

By: ____
Board Chairman

ADDENDUM

ASSET ALLOCATION

The Board has currently adopted the following asset allocation at market value:

	Allocation	Range
Large Cap Equity	30%	+/- 10%
Mid Cap Equity	10%	+/- 5%
Small Cap Equity	10%	+/- 5%
International Equity	12.5%	+/- 6%
Real Estate	10%	+/- 5%
Timber	5%	+/- 5%
Fixed Income	22.5%	+/- 7.5%