

OPEB BOARD OF TRUSTEES MEETING  
Minutes  
May 16, 2019  
8:00 AM  
Republican Caucus Room, 4<sup>th</sup> FLOOR  
GOVERNMENT CENTER  
888 Washington Boulevard  
Stamford, CT

OPEB Board of Trustees Members in Attendance:

David R. Martin - Vice Chair	Mayor
Michael E. Handler - Chair	Director of Administration
David Yanik	Controller
Clarence Zachery	BOE Chief Fiscal and Operations Support Officer
Jay Fountain	Fire Pension Appointee
Dudley Williams	Board of Finance Appointee
Stephen Cohen	Board of Representatives Appointee
Matthew Quinones - Secretary	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order by Mr. Handler at 8:03 a.m. A quorum was not present. The following materials were distributed in advance: meeting agenda, minutes of the February 21, 2019 meeting, First Quarter OPEB Trust Investment Review and financial reports. Mayor Martin and Mr. Quinones entered the meeting.

**Report on Investments of the Funds** – Mark Wetzel and Kathryn Pizzi of Fiduciary Investment Advisors, LLC (FIA), reported on OPEB Trust Fund investments and answered Board members' questions. Plan fees were discussed. First quarter economic review: The fourth quarter was a difficult time for the markets but there was a reversal in the first quarter. As of yesterday, YTD the S&P Index was up approximately 15%. Most of those returns are from growth equity.

Plan allocations are close to the targets. The plan is allocated at 28.3% in fixed income investments and cash, 36.3% in domestic equities, 26.8% in developed international, 7.6% in emerging markets and 1% in alternatives. The OPEB portfolio is at approximately \$131.8 million in assets at the end of the quarter; close to benchmark. The performance of the asset allocation fund, GMO, was discussed. Mr. Williams and Mr. Zachery entered the meeting during the report. A quorum was met.

**Approval of Minutes** – A motion was made and seconded to approve the February 21, 2019 minutes. **The motion carried 8-0-0.**

**Wells Fargo Report** – Joseph DePalma of Wells Fargo announced that, on April 9<sup>th</sup>, his Institutional Retirement & Trust department was acquired by Principal Financial Group. For the time being this will not affect customers. After approximately 18-24 months the transition from bank to financial group should be complete. He then distributed and discussed the Wells Fargo Administrative Report of Trust Fund balances for the period ending April 30, 2019.

**Reimburse Pension Funds for Medicare Part B** – Before the OPEB Trust was established, each union pension fund paid retiree Medicare Part B expenses on a pay-as-you-go basis. Beginning July 1, 2019, the OPEB Trust will fund this expense. The mechanism for accomplishing this has been established for the CERF and Custodians Pension Funds but Fire and Police do not deal with the same financial institution as OPEB, CERF, and Custodians.

Therefore, the Fire and Police pensions will pay the Medicare part B expenses and the OPEB Trust will reimburse the pensions. The Board discussed possible processes for oversight of the reimbursements to the Police and Fire Pensions for these expenses.

A motion was made and seconded for the OPEB Board to take responsibility for funding Medicare Part B expenses of the City out of the OPEB Trust. **The motion carried 8-0-0.**

A motion was made and seconded for the OPEB Board to pay Medicare Part B expenses during the normal course of business unless material errors or issues warrant the immediate attention of the OPEB Board. In that case the Board will review the expenses at the normal quarterly meeting. **The motion carried 8-0-0.**

**Report of Bills Paid and Financial Reports** – Mr. Yanik distributed and discussed the Summary Schedule of Expenses for F2019 and the OPEB Trust financials.

**Other Business** – There was no other business.

The meeting adjourned at 8:50 a.m.

**Next meeting is scheduled for July 18, 2019 at 8:00 a.m.**  
Republican Caucus Room, 4th FLOOR  
GOVERNMENT CENTER