

OPEB BOARD OF TRUSTEES MEETING

Minutes

November 21, 2019

8:00 AM

Republican Caucus Room, 4th FLOOR
GOVERNMENT CENTER
888 Washington Boulevard
Stamford, CT

OPEB Board of Trustees Members in Attendance:

David R. Martin - Vice Chair	Mayor
Alfred Cava	Director of Human Resources
David Yanik	Controller
Frank Cerasoli	President, Board of Education Appointee
Tamu Lucero	Superintendent of Schools
Eric Newman	CERF Pension Appointee
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 Mayor Martin at 8:05 a.m. A quorum was present. The following materials were distributed in advance: meeting agenda, minutes of the July 18, 2019 meeting, Third Quarter OPEB Trust Investment Review, OPEB Trust financial reports, actuarial invoice, and proposed 2020 Meeting dates.

Approval of Minutes – A motion was made and seconded to approve the July 18, 2019 minutes. **The motion carried unanimously 10-0-0.**

2020 Meeting Dates – A motion was made and seconded to approve 2020 meeting dates of February 20, 2020, May 21, 2020, July 16, 2020, and November 19, 2020. **The motion carried unanimously 10-0-0.**

Report on Investments of the Funds – Mark Wetzel and Kathryn Pizzi, of Fiduciary Investment Advisors, LLC (FIA), announced that the FIA 2020 Client Conference will take place June 12th in Newport, Rhode Island, distributed updated balances of the OPEB Long-Term Portfolio as of November 2019, and reported on OPEB Trust Fund investments. Third quarter economic review: The S&P Index was up 1.7% for the quarter, and up 20.6% year-to-date. The OPEB Trust plan was at \$157 million at the end of the quarter. On a calendar year basis the portfolio is up 13.5%. On a fiscal year basis the plan is: behind benchmark at one year, ahead at three years and basically in line with benchmarks over the course of several years. Allocations are on target. The plan is allocated at 26.4% in fixed income investments and cash, 36.8% in domestic equities, 31.9% in international and 4.9% in multi asset.

After discussion of the performance of the actively managed funds a motion was made and seconded to move out of Eaton Vance Institutional Senior Load Fund and reallocate the proceeds between Metropolitan West Total Return Bond PI and BlackRock Strategic Income Opportunities Fund K roughly proportional to the allocation of September 30th or November 15th which is approximately two-thirds to Metropolitan West Total Return Bond and one-third to BlackRock Strategic Income Opportunities Fund K managed funds. **The motion carried unanimously 10-0-0.**

Wells Fargo Report - Joseph DePalma of Wells Fargo announced that, as part of the acquisition of his Institutional Retirement & Trust department by Principal Financial Group, an introductory email will be sent to Mr. Handler in December and a link to the portal for the e-signature process will be sent in January. At that time, a form to approve the replacement of all mention of Wells Fargo with Principal Financial Group in documentation will be provided.

Also, after discussion, in order to facilitate Medicare Part B transactions, a motion was made and seconded to authorize Al Cava to sign on behalf of the OPEB Trust for cash and benefits payment processing. **The motion carried unanimously 10-0-0.**

Next, Mr. DePalma distributed, and the Board discussed, the Wells Fargo Administrative Report of Trust Fund balances for the period ending October 31, 2019.

Approval of partial payment of Milliman Invoice – Mr. Fountain explained that, at the inception of the OPEB Trust Fund, since it did not have any funds, the City budgeted for payment of actuarial expenses. Now that the OPEB Trust Fund has enough assets, payment of actuarial costs are being moved to the plan. This is the same as the City's pension plans.

After discussion, a motion was made and seconded to authorize payment of partial Milliman actuarial invoice 0054SOC904 in the amount of \$7,000 from the OPEB Trust short-term account. **The motion carried unanimously 10-0-0.**

Report of Bills Paid and Financial Reports/FY2020 Contribution – Mr. Yanik distributed and discussed the FY2019 Expense Summary for information purposes; no vote is required until the audit is completed. Also distributed: Unaudited Draft OPEB Trust Fund Financial Statement as of June 30, 2019.

Mayor Martin requested a detailed analysis of BOE OPEB Admin fees (which was distributed to the Board after the meeting).

Update: Medicare Part B for CERF and Custodians – The OPEB Trust began funding Medicare Part B expenses for the CERF and Custodian pension plans as of October 2019. Mr. Cava reported that the process of CERF and Custodian retiree Medicare Part B reimbursements is going well. Inquiries from retirees are being handled by the Wells Fargo call center as well as by the Human Resources Department.

Police and Fire Medicare Part B Reimbursements – At the July 18, 2019 meeting the OPEB board voted on the method of distribution of Medicare Part B reimbursements for the CERF and Custodians Pension Funds. Mr. Cava explained that it is now necessary for the Board to vote on the method of distribution of Medicare Part B reimbursements for the Police and Fire pensions.

After discussion, a motion was made and seconded to reimburse Medicare Part B for the Police and Fire Pension funds effective January 1, 2020. **The motion carried unanimously 10-0-0**

Administratively, Fire Pension payments are made by the City but the Police Pension uses a third party. Therefore, Human Resources will need to work with the third party and develop a plan to transition that function to the City's financial institution; this may require more time to implement.

FIA Contract – The agreement with Fiduciary Investment Advisors for OPEB (and CERF and Custodians) expires June 30, 2020 and an RFP will most likely be issued in January of 2020. Any board member that would like to serve on the RFP selection committee on behalf of the OPEB Board should notify Mr. Handler, the Mayor and Mr. Cava before the next meeting.

Other Business – There was no other business.

The meeting adjourned at 8:58 a.m.

Next meeting is scheduled for February 20, 2020 at 8:00 a.m.
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