

OPEB BOARD OF TRUSTEES MEETING

Minutes

May 17, 2018

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
Michael E. Handler - Chair	Director of Administration
Clemon Williams	Director of Human Resources
David Yanik	Controller
David Mannis	President, Board of Education
Hugh Murphy	Finance Director, Stamford Public Schools
Joseph Caruso	CERF Pension Appointee
Jay Fountain - Secretary	Fire Pension Appointee
Michael Noto	Police Pension 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. Also present at the meeting was Joseph DePalma of Wells Fargo Bank. The following materials were distributed in advance: meeting agenda, minutes of the February 22, 2018 meeting, First Quarter OPEB Trust Investment Review, 2017 OPEB Actuarial Reports, and financial reports. GMO Performance Analysis Report was sent after the meeting.

The Board decided to address item four on the agenda because it did not require a quorum.

Report of Bills Paid and Financial Reports – Mr. Yanik discussed the Summary Schedule of Expenses for FY2018 as of March 31, 2018 and Draft OPEB Financial Report. Mayor Martin, Matthew Quinones and Clemon Williams entered the meeting. A quorum was present.

Approval of Minutes – A motion was made and seconded to approve the February 22, 2018 minutes. **The motion carried 10-0-0.**

Election of Officers – After discussion, a motion was made and seconded to elect Michael Handler as Chairman. **The motion carried unanimously.** A motion was made and seconded to elect Mayor Martin as Vice Chair. **The motion carried unanimously.** A motion was made and seconded to elect Matthew Quinones as Secretary. **The motion carried unanimously.**

Report on Investments of the Funds – Mark Wetzel, of Fiduciary Investment Advisors, LLC (FIA), reported on OPEB Trust Fund investments and answered Board members' questions. He informed the Board of the upcoming 2018 Client Conference and educational opportunities and reviewed plan fees. Portfolio managed fund fees average 31 basis points. The Wells Fargo custodial fee is roughly 1 basis point. FIA's consulting flat fee is under 34 basis points.

First quarter economic review: The market has been more volatile this year compared to last year (which was an anomaly). The market was down in February and March, down .8 for the quarter. For one year, the S&P Index Fund was up 14%. Through year-end the market continued to be strong. Growth beat value significantly. International markets were down 1.2% emerging markets investments up 1.4%. Fixed income had low returns.

The OPEB Plan is at approximately \$117.9 million in assets at the end of the quarter. For the quarter the plan was up .2% versus the benchmark of -1.0. On a one year basis the portfolio is up 12.6% against a benchmark of 11%.

Managed funds are doing well for the most part. Mayor Martin inquired about the GMO Performance Analysis Report that he requested. Mr. Wetzel supplied the report immediately after the meeting.

2017 OPEB Actuarial Valuation Reports – Mr. Fountain commented on the 2017 City and BOE OPEB Actuarial Valuation Reports. For the City plan the unfunded accrued liability went up slightly because the interest rate return assumption was changed from 7.5% to a more conservative 7.2% (which was offset by some degree by a decrease in the inflation rate assumption to 2.6%) and other mitigating factors. The Actuarially Determined Employer Contribution (ADEC) went up slightly this year (to approximately \$27.7 million). For the BOE the unfunded accrued liability dropped dramatically because the BOE transitioned to the State medical plan. The Board discussed the ramifications of these events. Mr. Mannis requested that someone visit the Board of Education to explain the valuation process in layman's terms.

Other Business – Joseph DePalma of Wells Fargo distributed and discussed the Administrative Report of Trust Fund balances for the period ending April 30, 2018 and answered Board member's questions.

The meeting adjourned at 8:41 a.m.

Next meeting is scheduled for July 19, 2018 at 8:00 a.m.
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