

OPEB BOARD OF TRUSTEES MEETING
Minutes
May 19, 2016
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	Mayor
Randall M. Skigen – Chairman	Board of Representatives Appointee
Clemon Williams	Director of Human Resources
David Yanik	Controller
Geoff Alswanger	President, Board of Education
Hugh Murphy	Finance Director, Stamford Public Schools
Joseph Caruso	CERF Pension Appointee
Michael Noto	Police Pension Appointee
Sal Gabriele	Board of Finance Appointee
Carl Franzetti	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order by Mr. Skigen at approximately 8:10 a.m. A quorum of 8 members was present. The following materials were distributed in advance: meeting agenda, minutes of the February 18, 2016 meeting, First Quarter OPEB Trust Investment Review, Money Market Reform Report, Draft Summary Schedule of Expenses for March 31, 2016 and Draft March 31, 2016 OPEB Fund Financial Report.

Approval of Minutes – A motion was made and seconded to approve the February 18, 2016 minutes. **The motion carried 7-0-1. Mr. Alswanger abstained.** Mayor Martin entered the meeting at 8:13 a.m. Mr. Gabriele entered the meeting at 8:15 a.m.

Report on Investments of the Funds – Mark Wetzel, of Fiduciary Investment Advisors, LLC (FIA), reviewed the First Quarter 2016 OPEB Trust Investment Report which included information on current educational opportunities available to Board members and the Annual Client Conference on June 17, 2016 in Newport, RI. The Board discussed performance of the investments. As requested by the Board at the last meeting, Mr. Wetzel presented two different types of investments for consideration: three American Century fixed income alternatives and Golub Capital which is a direct lending fund. The preferred American Century choice, AC Alternatives Market Neutral Value, is a candidate for new investment or, alternatively, to reduce the Trust's fixed income investments. The Golub Capital investment is completely different from American Century in that it is a revenue enhancer, not a risk reducer. It is less liquid and would require a long-term commitment. The Board asked Mark Wetzel to provide more information regarding these investments and to invite representatives from American Century to speak at the July meeting, possibly in conjunction with the CERF Pension Board meeting. Golub representatives may be invited to the fall OPEB Board meeting.

Next discussed were two options for investment of the planned July OPEB contribution of approximately \$11.6 million: one lump sum or investments of three equal amounts over the course of three consecutive months. The Board decided to vote now to ensure that a plan was in place in advance of the contribution but reserve the option to supersede today's vote at the July meeting.

A motion was made and seconded to invest the 2016 OPEB Trust allocation in one lump sum as outlined in the cash flow worksheet but subject to a possible overriding vote that may take place at the next Board of Trustees meeting in July. **The motion carried 10-0-0.**

In the interest of transparency, Mr. Williams distributed a communication regarding organizational changes GMO affecting an OPEB Trust investment.

Mr. Wetzel advised the Trustees that Money Market Fund Reform adopted in July of 2014 will go into effect in October of 2016. FIA suggests that all clients move to government mutual funds in reaction to this legislation. The OPEB Trust is already invested in government funds through Wachovia.

Report of Bills Paid – Mr. Yanik distributed and discussed the Draft Summary Schedule of Expenses for March 31, 2016. The report is not submitted for approval today because two items are unresolved: secondary plan fees for the City and Board of Education OPEB medical variances year over year.

Financial Reports – Mr. Yanik distributed and discussed the Draft March 31, 2016 OPEB Fund Financial Report. The report is not submitted for approval today because it is not finalized.

Other Business – There was no other business.

The meeting adjourned at 9:10 a.m.

Next meeting is scheduled for July 21, 2016 at 8:00 a.m.
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