

OPEB BOARD OF TRUSTEES MEETING

Minutes

July 21, 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
Michael E. Handler - Vice Chair	Director of Administration
Clemon Williams	Director of Human Resources
Hugh Murphy	Finance Director, Stamford Public Schools
Ron Racaniello	Custodians' Pension Appointee
Joseph Caruso	CERF Pension Appointee
Michael Noto	Police Pension Appointee
Mary Lou Rinaldi	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 8:09 a.m. A quorum of 9 members was present. The following materials were distributed in advance: meeting agenda, minutes of the May 19, 2016 meeting, Second Quarter OPEB Trust Investment Review, Cash Flow Worksheets, and Financial Reports.

Approval of Minutes – A motion was made and seconded to approve the May 19, 2016 minutes. **The motion carried 6-0-2.** Mr. Handler and Ms. Rinaldi abstained. Mayor Martin entered the meeting at 8:15 a.m.

Report of Bills Paid – Eric Newman, of the Controller's Office, distributed and discussed the Draft Summary Schedule of Expenses for May 31, 2016.

Financial Reports – Mr. Newman distributed and discussed the Draft May 31, 2016 OPEB Fund Financial Report.

Report on Investments of the Funds – Mark Wetzel, of Fiduciary Investment Advisors, LLC (FIA), reviewed the Second Quarter 2016 OPEB Trust Investment Report.

Next, Mr. Wetzel presented information on the opportunity for a share class exchange within the BlackRock Global Allocation Fund. After discussion, a motion was made and seconded to exchange the BlackRock Global Allocation Fund I shares for shares in BlackRock Global Allocation Fund K. **The motion carried 8-0-1.** Ms. Rinaldi abstained.

American Century Alternatives Market Neutral Value Investment Presentation – Alan Critchell and Matt Oldroyd, from American Century, presented information on the AC Alternatives Market Neutral Value Fund which employs a "pairs-trade" strategy. The fund does not align with the market yet it has had average 3 to 4 percent returns above Treasury bill returns since its inception in 2011.

Mr. Racaniello, who had been present since the beginning of the meeting, announced that he would take part in the next vote as the Custodians' Pension representative to the OPEB Board.

After discussion, a motion was made and seconded to allocate 5% of plan assets to American Century Alternatives Market Neutral Fund (ACVVX) as outlined in the lump sum cash flow worksheet. Previously the committee had voted to invest the entire contribution when it was

available rather than in a dollar cost averaging process. When the final contribution numbers are known and when the contribution is made an updated CFW will be prepared following these targets. **The motion carried 8-2-0.** Mr. Franzetti and Mr. Handler opposed.

A motion was made and seconded to amend the 2016 OPEB Trust Long-Term Investment Policy Target Asset allocations to conform to the table in Appendix A, on page 13 of the Second Quarter 2016 Investment Review Report, to reflect that it now includes a target weight for alternative investments of 5.0% (10% maximum) and reduce the fixed income target to 10% (30% maximum). **The motion carried 9-1-0.** Mr. Franzetti opposed.

Other Business – There was no other business.

The meeting adjourned at 9:10 a.m.

Next meeting is scheduled for November 17, 2016 at 8:00 a.m.
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