

OPEB BOARD OF TRUSTEES MEETING
Minutes
February 19, 2015
8:00 AM
Republican Caucus Room, 4th FLOOR
GOVERNMENT CENTER
888 Washington Boulevard
Stamford, CT

OPEB Board of Trustees Members in Attendance:

Randall M. Skigen – Chairman	Board of Representatives Appointee
Clemon Williams	Director of Human Resources
David Yanik	Controller
Hugh Murphy	Finance Director, Stamford Public Schools
Joseph Caruso	CERF Pension Appointee
James Hricay – Secretary	Fire Pension Appointee
Sal Gabriele	Board of Finance Appointee
Mary Fedeli	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order by Mr. Skigen at approximately 8:21 a.m. A quorum of eight members was present. The following materials were distributed in advance: meeting agenda, minutes for July 24, 2014, October 2, 2014, and November 20, 2014 meetings, proposed 2015 meeting dates, Fourth Quarter OPEB Trust Investment Review, and OPEB expense reports.

Approval of Minutes – A motion was made and seconded to approve the July 24, 2014, October 2, 2014, and November 20, 2014 minutes. **The motion carried 8-0-0.**

A motion was made and seconded to take item three on the agenda out of order. **The motion carried unanimously 8-0-0.**

Report on RFP for Financial Manager by Selection Committee and Vote – Mr. Williams reported that the RFP Selection Committee narrowed the choice to two vendors and the majority voted to recommend Fiduciary Investment Advisors (FIA), over Morgan Stanley, as Financial Manager for the OPEB Trust (and the CERF and Custodians Pension Boards). Additionally, the Selection Committee expressed their desire for more educational services from the financial manager and recommended that an RFP be issued well in advance of the expiration of the next contract. Board members discussed the merits of the two firms.

A motion was made and seconded to accept the recommendation of the RFP Selection Committee to retain Fiduciary Investment Advisors as financial advisor for the OPEB Trust. **The motion carried unanimously 8-0-0.** Since the RFP for Financial Manager bundled services for three Boards, the Custodians and CERF Pension Boards must vote at their next meetings (on February 19, 2015 and March 12, 2015 respectively). Ms. Fedeli left the meeting at 8:35 a.m. to attend the Smith House Board of Directors meeting taking place at the same time.

Report on Investments of the OPEB Trust Funds – Mark Wetzel of Fiduciary Investment Advisors, LLC (FIA) reminded the Board members that FIA's Annual Client Conference will take place Thursday, June 18, 2015, in Newport, Rhode Island and reported on OPEB Trust investments.

Mr. Wetzel stated that 2014 was a very good year for the S&P 500 Index (up 13.7%) but the Russell 2000 Index only gained 4.9% for the year. International indexes were down, fixed income was up, and commodities were down. While last year seemed like it was a good year for U.S. large cap companies other factors were a drag on portfolios.

The OPEB Plan was at \$53.5 million at the end of the year. The portfolio is up 3.6% for the year versus the 5.1% benchmark. Three and five year numbers are in line with the benchmark. Allocations are approximately 28% in direct fixed income, 26% in U.S. equities, 20% in international, and 25% in global assets. By asset class the portfolio is approximately 38% in fixed income because of the GMO investment; Mr. Wetzel recommends moving fixed income investments closer to 30% by reducing the current investment in direct fixed income from 28% to 19% and investing the difference (9%) in BlackRock Global Allocation Fund. This replaces the previous global allocation manager (PIMCO). Ms. Fedeli entered the meeting at 8:55 a.m. After discussion, a motion was made and seconded to reallocate \$4,926,000 out of fixed income into BlackRock Global Allocation Fund. **The motion carried 6-1-1. Mr. Murphy opposed, Mr. Gabriele abstained.**

The Board also discussed the short-term fund; its balance was approximately \$8.6 million as of December 31, 2014.

Financial Reports and Report of Bills Paid – Mr. Yanik distributed the 2014 fiscal year report of bills paid (corrected for audit adjustments) for Board approval. A motion was made and seconded to approve the report. **The motion carried unanimously 8-0-0.** Mr. Yanik then distributed a schedule of expenses for the first half of fiscal year 2015. After discussion, a motion was made and seconded to approve the expenses. **The motion carried unanimously 8-0-0.**

2015 Meeting Dates – The Board discussed 2015 meeting dates; a motion was made and seconded to set the next meeting dates at May 21, 2015, July 16, 2015, and November 19, 2015. **The motion carried unanimously 8-0-0.**

Other Business – The Board discussed various opportunities for, and methods of, continuing financial education. Mr. Wetzel outlined various educational resources available to Board members. He will put together a summary of what is already in place and suggestions for what could be made available on an ongoing basis.

The meeting adjourned at 9:18 a.m.

Action Items:

- Any questions Board members may have for Mr. Wetzel in advance of a Board meeting (to be answered at the meeting) may be forwarded to Mr. Williams.
- Mr. Wetzel will put together a summary of educational opportunities already in place and suggestions for what could be made available on an ongoing basis.

Next meeting is scheduled for May 21, 2015 at 8:00 a.m.
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