

OPEB BOARD OF TRUSTEES MEETING
Minutes
May 16, 2013
8:00 AM
Mayor's Conference Room, 10th FLOOR
GOVERNMENT CENTER
888 Washington Boulevard
Stamford, CT

OPEB Board of Trustees Members in Attendance:

Michael E. Handler	Director of Administration
David Yanik	Controller
Geoff Alswanger	President, Board of Education
Hugh Murphy	Superintendent's Appointee (for COO, SPS)
James Hricay	Fire Pension Appointee
Kathleen Murphy	Board of Finance Appointee
Mary Fedeli	Board of Representatives Appointee
Randall M. Skigen (by phone)	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order at approximately 8:05 a.m. by Mr. Handler. Mr. Skigen participated by phone. The following materials were distributed in advance: meeting agenda, February 14, 2013 meeting minutes, First Quarter 2013 Executive Summary for OPEB Trust, PIMCO presentation and OPEB Risk Analysis.

Approval of Minutes – After discussion, a motion was made to change a portion of paragraph two on page two of the February 14, 2013 minutes from: “A motion was made and seconded to lower the fixed income target allocation by from 25% to 21% by decreasing and eliminating the Vanguard line...” to: “A motion was made and seconded to lower the fixed income target allocation from 25% to 21% by decreasing the Vanguard Total Bond Market Fund and eliminating the Vanguard Short-Term Bond Fund...” **The motion was seconded and passed 8-0-0.** A motion to approve the February 14, 2013 minutes was made and seconded. **The motion passed 6-0-2. Mr. Alswanger and Mr. Hricay abstained.**

Election of Officers – A motion was made and seconded to elect Randall Skigen as Chairman. **The motion passed 8-0-0.** A motion was made and seconded to elect Michael Handler as Vice Chair. **The motion passed 8-0-0.** A motion was made and seconded to elect James Hricay as Secretary. **The motion passed 8-0-0.**

Report on Investments of the OPEB Trust – Mark Wetzel, of Fiduciary Investment Advisors, LLC (FIA), announced that the annual FIA client conference will take place at Waters Edge in Westbrook, CT on June 6th.

Mr. Wetzel reported on OPEB Trust investments. First quarter economic review: the GDP grew slightly at an annual rate of .4%, unemployment rate fell to 7.6%, the Consumer Price Index is rising. The S&P 500 was up 10.6% for the quarter and 14% for one year. FIA recommends a diversified portfolio including exposure to the global markets and a diversified fixed income portfolio. If a little more risk is acceptable, emerging markets will most likely have the best growth over the next five years.

The OPEB Plan is at \$28.2 million at the end of the quarter. Allocations are close to the targets. Actuarial report assumptions were discussed. The plan is performing well: up 3.8% for the

quarter and up 8.5% for one year versus the benchmark of 8.9%. Mr. Wetzel reported on performance of individual funds. All in all, funds are performing as expected; actively managed funds are doing well. The 38% allocated to fixed income (by asset class) is high relative to achieving the assumed rate of return. He advised to continue to keep moving out of Vanguard Bond funds into more actively managed funds. In response to a question about a recommended asset allocation, Mr. Wetzel replied: equity/fixed income to 65/35 or 70/30 but not beyond that. He suggested investing 4% in equity now and more with next year's allocation. Mr. Wetzel recommended reducing Vanguard Total Bond Market by 4% to 0% and allocating 2% each to GMO and PIMCO All Asset. A motion was made and seconded to reduce and eliminate Vanguard Total Bond Market Index Fund by 4% to 0% and allocating 2% each to GMO Global Balanced Asset Fund and PIMCO All Asset Fund. **The motion passed 7-1-0. Ms. Murphy opposed.**

The Board discussed cash flow in the short-term account. David Yanik will develop a quarterly summary for distribution to the Board.

Report on Bills Paid and Approval of Bills Exceeding Authorized Amount – Mr. Yanik reported that that there were no unusual expenses regarding the OPEB Trust and no bills exceeding the authorized amount.

Other Business

There was no other business.

The meeting adjourned at approximately 9:00 a.m.

**The next meeting is scheduled for August 15, 2013 at 8:00 a.m.
in the Mayor's Conference Room.**