

OPEB BOARD OF TRUSTEES MEETING
Minutes
August 15, 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
Hugh Murphy	Superintendent's Appointee (for COO, SPS)
Mike Briscoe	CERF Pension Appointee
Mary Lou Rinaldi	Board of Finance Appointee
Kathleen Murphy	Board of Finance Appointee
Mary Fedeli – by phone	Board of Representatives Appointee
Randall M. Skigen	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order at 8:13 a.m. by Mr. Skigen. A quorum was present. The following materials were distributed in advance: meeting agenda, May 16, 2013 meeting minutes, Second Quarter 2013 Executive Summary for OPEB Trust, Second Quarter 2013 Quarterly Investment Review for OPEB Trust, OPEB Contribution Report.

Approval of Minutes – A motion to approve the May 16, 2013 minutes was made and seconded. **The motion passed 7-0-1. Mr. Briscoe abstained.**

Report on Investments of the OPEB Trust – Mark Wetzel, of Fiduciary Investment Advisors, LLC (FIA), reported on OPEB Trust investments. Second quarter economic review: US equity markets outpaced international, the GDP grew at an annual rate of 1.8%, unemployment rate remained at 7.6%, there have been very little inflation pressures. The S&P 500 was up 2.9% for the quarter and nearly 22% over twelve months. International and emerging markets lagged. Fixed income produced negative returns. The plan is at approximately 35% fixed income.

The OPEB Plan is at \$27.9 million at the end of the quarter. Allocations are close to the targets. The plan is down 1.1% for the quarter and up 9.2% for one year versus the benchmark of 8.6% for the year. The Board discussed performance of the funds and strategies of investment.

The Board discussed where and when to invest the \$9,474,000 FY2014 OPEB Trust allocation. For fixed income, Mr. Wetzel recommended investing \$2.0 million of the allocation (\$1.0 million each) in Templeton Global Bond Fund and Eaton Vance Floating-Rate Fund and the rest of the allocation, on a pro rata basis and according to target, in the remaining equity and asset allocation funds. The merits of investing in increments over time versus all at once were also discussed. The Board discussed how much of the OPEB Trust should be invested in fixed income.

A motion was made and seconded to invest the FY2014 OPEB Trust allocation in the following manner: change the allocation within fixed income investments by investing \$1.0 million in Templeton Global Bond Fund and \$1.0 million in Eaton Vance Floating-Rate Fund; and invest the remaining portion of the allocation, on a pro rata basis as outlined in the cash flow

worksheet, in the remaining equity and asset allocation funds. **The motion passed unanimously.**

A motion was made and seconded to immediately invest the FY2014 OPEB Trust allocation in the asset allocation funds (PIMCO All Asset and GMO Fund) on a pro rata basis and also invest \$1.0 million in the Templeton Global Bond Fund and \$1.0 million in the Eaton Vance Floating-Rate Fund fixed income funds. The remaining balance will be invested in equity funds on a pro rata basis as outlined in the cash flow worksheet within the next 60 days. **The motion passed unanimously.**

The short-term account was discussed.

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

Other Business

Clemon Williams, Assistant Director of Human Resources, advised the Board that the contracts for money manager for the CERF and Custodian Pensions and the OPEB Trust will expire next June and asked the OPEB Board to join the pension boards in an RFP in order to get a better price when they go out to bid. A motion was made and seconded to join the CERF and Custodian pension boards in the issuance of an RFP for a money manager. **The motion passed unanimously.**

Ms. Fedeli left the meeting. A quorum was no longer present. The board discussed an OPEB financial report distributed by Mr. Yanik. A request was made for a historical cost analysis. The Human Resources Department will assist the Controller in creating this report.

The meeting adjourned at approximately 9:10 a.m.

**The next meeting is scheduled for November 14, 2013 at 8:00 a.m.
in the Mayor's Conference Room.**