

OPEB BOARD OF TRUSTEES MEETING

Minutes - Revised

July 19, 2018

8:00 AM

Republican Caucus Room, 4<sup>th</sup> FLOOR  
GOVERNMENT CENTER  
888 Washington Boulevard  
Stamford, CT

OPEB Board of Trustees Members in Attendance:

David R. Martin - Vice Chair	Mayor
Michael E. Handler - Chair	Director of Administration
David Yanik	Controller
David Mannis	President, Board of Education
Earl Kim	Superintendent of Schools
Clarence Zachery	Chief Fiscal & Operations Support Officer, SPS
Joseph Caruso	CERF Pension Appointee
Michael Noto	Police Pension Appointee
Dudley Williams	Board of Finance Appointee
Matthew Quinones - Secretary	Board of Representatives Appointee

The meeting of the OPEB Board of Trustees was called to order by Mr. Handler at 8:02 a.m. A quorum was not present. The following materials were distributed in advance: meeting agenda, minutes of the May 17, 2018 meeting, Stamford OPEB Long-Term IPS, Second Quarter OPEB Trust Investment Review.

The Board welcomed new member Clarence Zachery, Chief Fiscal & Operations Support Officer, Stamford Public Schools. Mr. Williams entered the meeting. A quorum was present.

**Approval of Minutes** – A motion was made and seconded to approve the May 17, 2018 minutes. **The motion carried 7-0-1.** Mr. Zachery abstained. Mr. Quinones and Mayor Martin entered the meeting.

**Report on Investments of the Funds** – Mark Wetzel, of Fiduciary Investment Advisors, LLC (FIA), reported on OPEB Trust Fund investments and answered Board members' questions. He reminded the Board about the upcoming 2018 Client Conference and educational opportunities.

First item discussed was the OPEB Long-Term Investment Policy Statement (IPS) last approved in 2016; there have been updates to the appendix since then. Mr. Wetzel explained that the only change to the IPS is the asset allocation table on the last page. The Board discussed the pros and cons of alternative investments for public funds. A motion was made and seconded to approve the Stamford OPEB Long-Term Investment Policy Statement. **The motion carried unanimously 10-0-0.**

Second quarter economic review: the S&P Index was up 3.43% for the quarter and up 14.37% for one year. Growth beat value significantly on a one year basis: 22.5% vs. 6.7%. Small cap has beaten large cap. International markets were negative for the quarter and emerging markets investments were down 8%. Rates rose across the board. The OPEB portfolio is at approximately \$118 million in assets at the end of the quarter.

Allocations are close to the targets. The plan is allocated at 27.4% in fixed income investments and cash, 35.6% in domestic equities, 27.2% in developed international, 8.3% in emerging

markets and 1.5% in alternatives. For the fiscal year the portfolio is up 9.3% vs. the benchmark of 7.9%; a very strong year.

After discussion of the managed funds, a motion was made and seconded to make the following changes: 1. Reduce allocation in GMO Global Balanced Asset Allocation Fund from 15% to 10% and reallocate the proceeds across the managed funds and 2. Move funds invested in Templeton Global Bond to BlackRock Strategic Income. **The motion carried 10-0-0.**

**Report of Bills Paid and Financial Reports** – Mr. Yanik distributed and discussed the Wells Fargo Administrative Report of Trust Fund balances for the period ending June 30, 2018. Joseph DePalma of Wells Fargo will be invited to future meetings to be available for questions regarding this report.

Mr. Yanik reported that the total annual contribution for this year will be \$27.7 million. Amortized past service costs will be separated out and the deposit will take place in August.

The Board discussed whether or not the amount allocated to the long term portion should be invested in a lump sum as opposed to using dollar cost averaging. After discussion, a motion was made and seconded to invest the allocation in one lump sum according to targets. **The motion carried unanimously 10-0-0.**

A cash flow plan for the short-term account will be discussed in November when the amount available will be known.

**Other Business** – There was no other business.

The meeting adjourned at 8:51 a.m.

**Next meeting is scheduled for November 15, 2018 at 8:00 a.m.**  
Republican Caucus Room, 4th FLOOR  
GOVERNMENT CENTER