

OPEB BOARD OF TRUSTEES MEETING

Minutes

November 15, 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                |
| Kathryn Emmett               | Director of Legal Affairs/Human Resources |
| Earl Kim                     | Superintendent of Schools                 |
| Joseph Caruso                | CERF Pension Appointee                    |
| Jay Fountain                 | Fire Pension Appointee                    |
| Dudley Williams              | Board of Finance Appointee                |
| Matthew Quinones - Secretary | Board of Representatives Appointee        |
| David Yanik                  | Controller                                |

The meeting of the OPEB Board of Trustees was called to order by Mr. Handler at 8:02 a.m. A quorum of eight was present. The following materials were distributed in advance: meeting agenda, minutes of the July 19, 2018 meeting, Proposed 2019 Meeting Dates, Wells Fargo Report, and Third Quarter OPEB Trust Investment Review.

**Approval of Minutes** – A motion was made and seconded to approve the July 19, 2018 minutes. **The motion carried 5-0-3.** Mayor Martin, Ms. Emmett and Mr. Fountain abstained.

**2019 Meeting Dates** – A motion was made and seconded to approve 2019 meeting dates of February 21, 2019, May 16, 2019, July 18, 2019, and November 21, 2019. **The motion carried unanimously 8-0-0.**

**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. Mr. Quinones entered the meeting.

Third quarter economic review: the S&P Index was up 7.7% for the quarter and up 17.9% for one year. Globally growth is slowing. US equity markets are dramatically outperforming US markets. International markets were positive but not as strong. Rates continued to decline. The OPEB portfolio is at approximately \$133 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, 36.7% in domestic equities, 27.5% in developed international, 7.3% in emerging markets and 1.0% in alternatives. On a one year basis the portfolio is up 7.5% vs. the benchmark of 6.7%. Index fees were discussed; by the next meeting FIA will investigate if Vanguard will lower index fees and may suggest moving to Fidelity Investments.

**Wells Fargo Report** – Joseph DePalma of Wells Fargo distributed and discussed the Wells Fargo Administrative Report of Trust Fund balances for the period ending October 31, 2018.

**Report of Bills Paid and Financial Reports** – Mr. Yanik distributed a FY2018 Expense Summary for information purposes; no vote is required until the audit is completed. He also distributed a cash flow projection regarding short-term funds which was requested by the Board

at the last meeting and ties into the Wells Fargo report. The purpose of the report is to investigate the opportunity to invest cash currently in the short-term account until needed to pay monthly expenses. There is an opportunity to invest \$5 million for 90 days and then \$3 million for another 90 days at approximately 2% in money markets and still keep a comfortable cushion through the end of the fiscal year. A motion was made and seconded to take the corrected schedule and move short-term funds into money markets. **The motion carried unanimously 9-0-0.**

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

The meeting adjourned at 8:40 a.m.

**Next meeting is scheduled for February 21, 2019 at 8:00 a.m.**  
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