

CITY EMPLOYEES RETIREMENT FUND BOARD

DRAFT

MINUTES

September 15, 2011

PLACE: City Hall
200 Orange Street
Dept. of Finance Conference Room
New Haven, Connecticut 06510

PRESENT: Jerry Sagnella, Chairman
Thomas Cama
John Varrone, Members' Representative
Michael O'Neil, Acting Secretary

ABSENT: Mayor John DeStefano, Jr.

ALSO PRESENT: Joann Giri, Benefits Auditor
Derek Ciampini, Ameriprise
Leslie Williams, Ameriprise
Wendy Coppola, Ameriprise
Patricia Solomon

Mr. Sagnella convened the meeting at 10:15 a.m.

1. APPROVAL OF MINUTES

Mr. Varrone moved the approval of the minutes from the meeting of August 18, 2011 as amended; Mr. Cama seconded and the vote was unanimous.

2. DEATH AFTER RETIREMENT – INFORMATION ONLY

The Board reviewed the information under Item 2.

3. DEATH OF SURVIVOR – INFORMATION ONLY

The Board reviewed the information under Item 3.

4. AGE ANNUITY RETIREMENTS - INFORMATION ONLY

The Board reviewed the information under Item 4.

5. PAYMENT OF BILLS

Mr. Cama made a motion to approve payment of the bills in Item 5; Mr. Varrone seconded and the vote was unanimous.

6. ADMINISTRATIVE MATTERS

Mr. O'Neil stated the first installment of the City's arc payments was made on August 2nd. He stated that the second installment was made in full 2 days ago in the approximate amount of \$8 million.

7. INVESTMENT REVIEW

Mr. Ciampini put together recommendations on how to disburse the city arc payments. For the first \$8.5 million he suggested taking higher concentrated positions in defensive high yield fixed income, emerging market fixed income and developed international fixed income.

The second portion would be more of a rebalance. He distributed a list which detailed the distribution to the managers.

Mr. Cama made a motion to select the allocation put forth by Ameriprise; Mr. Varrone seconded, and the vote was unanimous.

Mr. Ciampini reviewed the investment report, noting that August was a tough month; the Fund lost 3% for the month but was up .2% for the year.

The bonds helped the fund this month. Strategic is doing very well, international bonds, up 13% for the year versus 9% for the index. Very pleased with our total bond portfolio.

Large Cap Value and Large Cap Growth Manager Searches

Mr. Ciampini stated today he hopes to have the trustees bring both the Large Cap Value Manager and Growth Manager searches down to 3 finalists in each asset class; they can then move forward and schedule a subcommittee meeting with the finalists.

For large cap value the managers that outperform their index consistently are Herndon, Putnam, Harris, Eagle and potentially Coho Partners. Putnam has a \$25 million minimum for a separate account but that may be negotiable.

After some discussion, the trustees agreed to interview Herndon, Putnam Harris and Eagle.

For large cap growth out of the 6 semi finalists Mr. Ciampini noted that Atlanta, Polen and Brown are exceptional. After some discussion, the trustees agreed to interview Atlanta, Polen and Brown for large cap growth.

Mr. Ciampini would like to schedule the large cap value interviews the first week of October and the large cap growth interviews the first or second week of November.

Mr. Ciampini updated the Board that State Street has gotten a certified list from Northern Trust yesterday. They put together a final pretrade which is almost identical to what they anticipated. They will trade the portfolio tomorrow.

Mr. Sagnella asked if something drastic occurs due to volatility in the markets are we prepared. Mr. Ciampini stated they are staying invested and are the most defensive they can be but also generating returns.

Mr. Williams stated he holds bond managers in high regard; he pays attention to the fear index for bonds. The bond market factors in the volatility of the market.

The meeting adjourned at 11:50 a.m. on a motion by Mr. Cama and seconded by Mr. Varrone and the vote was unanimous.

The next meeting is scheduled for Thursday, September 15, 2011 at 10:00 a.m.

ATTEST:

Secretary