

CITY EMPLOYEES RETIREMENT FUND BOARD

MINUTES

SPECIAL MEETING

May 4, 2009

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

PRESENT: Jerry Sagnella, Chairman
Thomas Cama
John Varrone
Mark Pietrosimone, Secretary

ALSO PRESENT: Joann Giri, Benefits Auditor
Derek Ciampini, Merrill Lynch
Chris Coppola, Merrill Lynch
Wendy Coppola, Merrill Lynch
Patricia Solomon, Local 3144 Rep.

Mr. Sagnella convened the meeting at 3:05 a.m.

**1. CERF SUBCOMMITTEE FEASIBILITY REPORT – BOYD WATTERSON
“TALF” TERM ASSET-BACKED SECURITIES LOAN FACILITY**

Mr. Sagnella stated since Ameriprise is not officially our consultant until the contract is formalized the Board has to base their decision on the opinion of the subcommittee. Mr. Pietrosimone stated the money to fund Boyd Watterson will be taken from PIMCO; this investment will be on the fixed asset side of the portfolio. Ms. Solomon asked if administratively Boyd would we be entering into the agreement with Ameriprise? Mr. Sagnella stated by the time the Boyd contract is reviewed by legal counsel the Ameriprise contract will probably be in place. Mr. Ciampini Merrill Lynch brought Boyd to the table but the contract is between New Haven and Boyd Watterson.

Mr. Sagnella stated the subcommittee agreed that liquidity is very important. Mr. Ciampini stated with Northern Trust it is a comingled fund which complicates liquidity. But Boyd is a separate account. Mr. Pietrosimone stated there is a one year minimum commitment. Mr. Ciampini noted it is to your advantage to hold the investment for three years.

Mr. Cama asked if it is possible to back out prior to the June auction. Mr. Ciampini stated they could.

Mr. Pietrosimone made a motion to approve the concept of Boyd Watterson at \$5 million subject to further fee negotiation; Mr. Varrone seconded and the vote was unanimous.

2. CHANGE OF CERF FINANCIAL CONSULTANT FROM: MERRILL LYNCH TO AMERIPRISE FINANCIAL

Mr. Sagnella stated that on Friday May 1, 2009 Derrick Ciampini, Chris Coppola and Wendy Coppola current members of CERF's Merrill Lynch financial consultant team announced they are leaving Merrill and would be consultants for Ameriprise in New Haven. Mr. Sagnella distributed a legal opinion from 1999 for the CERF and P&F Boards who decided to follow their financial consultant Adrian Anderson when he changed firms from Watts & Wyatt to Gray & Company Inc. This opinion assures that they are not in violation of any fiduciary responsibilities by changing firms in this manner. It is not the trustees' intent to be without a financial consultant for any period of time. The people that are involved in the changeover from Merrill to Ameriprise are the team members who are the most hands on the CERF account. Mr. Sagnella stated the trustees have developed a comfort zone with them.

Mr. Pietrosimone asked if there are any additional fees with Ameriprise. Mr. Sagnella stated that one of the conditions cited in the legal opinion is that the fees could not be increased in this transition. When Adrian Anderson left Watson & Wyatt to Gray & Company Inc., both CERF and P&F trustees had the authority to hire Watson Wyatt without having an RFP performed as long as they had a comfort zone with the person that was leaving and there would not be any additional cost to the fee structure.

Ms. Solomon asked how soon the contract would be available for review. Mr. Ciampini stated it would be available immediately.

Mr. Pietrosimone made a motion to terminate the CERF financial consultant contract with Merrill Lynch and retain Ameriprise as the Fund's new financial consultant; Mr. Varrone seconded and the vote was unanimous.

Mr. Pietrosimone made a motion to enter into a contract with Ameriprise and their current team of financial consultants for the City Employees' Retirement Fund in compliance with the legal opinion dated August 31, 1999; Mr. Varrone seconded and the vote was unanimous.

Mr. Cama stated that although Mr. Ciampini is a personal friend his decision is a professional decision; he feels Mr. Ciampini knows the industry and is very informative.

The meeting was adjourned at 10:35 a.m. on a motion by Mr. Pietrosimone and seconded by Mr. Varrone.

ATTEST:

Secretary