

CITY EMPLOYEES RETIREMENT FUND BOARD

FINAL MINUTES

JUNE 18, 2009

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
Mark Pietrosimone, Secretary

ABSENT: Mayor John DeStefano, Jr.
David Slifka

ALSO PRESENT: Joann Giri, Benefits Auditor
Tim Ryor, Hooker and Holcombe
Patricia Solomon
Derek Ciampini, Ameriprise
Chris Coppola, Ameriprise
Wendy Coppola, Ameriprise
Sharon Freilich, Brenner, Saltzman & Wallman

Mr. Sagnella convened the meeting at 10:30 a.m.

1. APPROVAL OF MINUTES

Mr. Varrone moved the approval of the minutes from the meeting of May 21, 2009; Mr. Cama seconded, and the vote was unanimous.

2. NEW PARTICIPANTS - INFORMATION ONLY

The Board reviewed the information under Item 2.

3. DEATH OF SURVIVOR – INFORMATION ONLY

a) Bove, Marie

The Board reviewed the information under Item 3.

4. DEATH AFTER RETIREMENT – INFORMATION ONLY

- a) Boyd, Patricia
- b) Dillon, Marie
- c) Flanagan, Emily
- d) Lillis, Mary

5. WITHDRAWALS – INFORMATION ONLY

The Board reviewed the information under Item 5.

6. AGE ANNUITY RETIREMENT – INFORMATION ONLY

The Board reviewed the information under Item 6.

7. PAYMENT OF BILLS

Mr. Pietrosimone made a motion to approve payment of the bills in Item 7; Mr. Varrone seconded and the vote was unanimous.

8. ADMINISTRATIVE MATTERS

a) Boyd Watterson

Mr. Sagnella stated TALF is an investment opportunity the Board approved in principle subject to review by legal counsel.

Mr. Ciampini stated when Boyd Watterson presented the TALF program to the trustees it was originally only new issue ABS; it has now been opened to legacy assets.

Unanimously the Board decided only new issued asset backed securities would be prudent. The deadline for the July auction is between June 15 and June 22.

Attorney Sharon Frielich stated there a number of documents to be reviewed one of which she just received yesterday. She spent a lot of time negotiating the terms of the Investment Advisory Agreement with Boyd Watterson's legal counsel.

Mr. Ciampini stated the investment is \$5 million.

Attorney Frielich stated the terms of the agreement with Boyd Watterson they are in good shape. There are other agreements that have to be reviewed. Boyd Watterson is acting as your customer agent with J.P. Morgan for all transactions handled on behalf of CERF.

One of her concerns is their reference to loans originated prior to January 1, 2009. They want issues as of or subsequent to January 1, 2009.

Mr. Sagnella stated liquidity is one of his main concerns. Mr. Ciampini stated it is market liquidity but you are looking at a 3 year hold.

Mr. Sagnella stated he does not want to rush to satisfy a deadline; he would rather be cautious. Attorney Frielich stated the Board could approve this subject to a better review of the rest of the documents.

Attorney Frielich noted that legal counsel will have to render a new legal opinion every time an auction is done; it would have to go through their legal opinion committee which could run several thousands of dollars per opinion. This may be an expense the trustees did not anticipate.

Mr. Cama asked if they will see an itemization of what they are buying. Mr. Ciampini stated yes. Mr. Sagnella stated he would like to wait for the full review of documents before approving anything. Attorney Frielich stated for the August auction the window may be between July 15 and July 22.

Convergex

Mr. Sagnella stated since Bank of American suspended the practice of commission recapture the Board has considered using Convergex as an alternative. The Board had approved using Convergex pending contract review by legal counsel. We have to be able to determine within reason that the trades are best execution. Ameriprise is going to provide us with a monthly or quarterly report to review.

We had a directed trade list of local traders approved by the Board. This can be utilized since Convergex will only handle approximately 30% of the trades.

Mr. Sagnella stated since the legal review of the contract is complete he, as Chairman, will sign the contract.

9. INVESTMENT REVIEW

Mr. Ciampini reviewed the investment report for May, 2009. He stated the fund is up 6.1%.

Aletheia LCV returned 12.3% versus 6.2% for the index; Neuberger Berman LCV returned 9.4% versus 6.2% for the index; Aletheia LCG returned 16.8% versus 5.0% for the index; Neuberger Berman LCG returned 5% versus 5% for the index; Munder returned 4.1% versus 5.2% for the index; NCM Capital returned 7.8% versus 4.3% for the index; Paradigm returned 4.2% versus 3% for the index; Artio Global returned 11.4% versus 8.8% for the index; Wentworth Hauser & Violich returned 16.6% versus 12% for the index; Pimco returned 2.6% versus .7% for the index Penn Capital returned 1.4% versus 7% for the index. The Fund was up 7.9 million for May 2009.

Mr. Sagnella asked how the portfolio is positioned to take advantage of the increase in gas prices. Mr. Ciampini stated the way the managers are allocated they will capitalize on this.

The meeting adjourned at 11:30 a.m. on a motion by Mr. Varrone and seconded by Mr. Cama and the vote was unanimous.

The next meeting is scheduled for Thursday, July 16, 2009 at 10:00 a.m.

ATTEST:

Secretary