The meeting was called to order at 9:08 A.M.

**Approval of June 13, 2018 Meeting Minutes**

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 3-0 to approve the Minutes of the June 13, 2018 Meeting.

**Review Performance of Trust as of the end of July 2018**

The Board reviewed the portfolio’s July performance, noting that, although July’s return of 2.54% beat the benchmark by 45 bps, over the last 12 months, returns have lagged the benchmark. Performance has been significantly negatively impacted by the poor performance of both of the international equity positions: Oakmark and Emerging Market ETF (EMM). Adding to the negative contribution to return is the fact that international equity is overweighed to the benchmark by 13.2%. Oakmark is actively managed and has been over weighted in financials and autos in anticipation of a European recovery. At the June meeting the Board put these positions on their watch list and were the focus for this meeting. Over the last 12 months, domestic equity's performance was in line with its benchmark, and fixed income was 132 bps ahead of its benchmark.

**Discussion of market conditions and investment strategy, including asset allocations and sector weightings. Focus on the holdings in the Oakmark Fund and the Fund’s emerging market exposure.**

While the US economy and the domestic equity market remain very strong - testing new highs, the economies in Europe and elsewhere have slowed. A number of contributing issues were discussed: Turkey has serious economic issues which is driving the currency lower and may have difficulty in making payment to its European lenders. There is concern that this may be contagious in other emerging countries whose currencies are falling in value vs a strengthening US dollar, in which their loans are denominated. Possibility of trade “wars” as the US renegotiates its trade agreements, including trade with China, and the potential impact on the markets and supply chains raise concern. It was also noted that August and September are typically weak months for the stock market.

With this background the Board discussed whether the timing was appropriate for selling or trimming international holdings and what should be done with the sale proceeds. The consensus was that the international exposure should be reduced. The Board reviewed the S&P 500 sector
allocation weightings and noted that the Health Care and Technology positions were among the best performing holdings, and discussed if it made sense to add to these positions or move the proceeds to cash, reducing the risks in the portfolio. The OPEB portfolio had a 6.4% over weighted position in Technology and a 0.7% overweight in health care, relative to the S&P index.

Mr. Ferdinand made a motion, seconded by Mr. Pellegrino, to decrease holdings in Oakmark (OAYIX) by 50% (approximately $2.45 million). The proceeds of the sale should be invested in CT STIF or in the Vanguard Federal Money Market. The Board voted 3-0-0 in favor of the motion.

**Discussion of topics for future meeting**

The IAC didn't have a quorum so the execution of the transactions approved by the OPEB Board would have to wait until the IAC could meet. The OPEB Board felt that it was inefficient for OPEB not to have the authority to make proposed trades in a timely manner. It was suggested that IAC consider asking the BET to approve discretionary authority within set parameters determined by the IAC.

Mr. Weisbrod recommended that OPEB and IAC monthly meetings be restored to a monthly schedule on the 2019 calendar with the understanding that cancellation was then an option.

Mr. Weisbrod also suggested a discussion of BET policy on telephonic voting and establishing the authorization of discretion at the IAC's September meeting. The option of full discretion like the Neuberger Berman model and IAC's role as a review Board, would also be reviewed.

**Adjournment**

The Board voted unanimously to adjourn the meeting at 10:09 A.M.

Next OPEB meeting scheduled for September 11, 2018 at 8:30 A.M. (Tuesday).

Schedule OPEB Board Meetings for July through December 2018

Future OPEB Board Meeting Dates

October 23, 2018 at 8:30 A.M. (Tuesday)
November 13, 2018 at 8:30 A.M. (Tuesday)
December 11, 2018 at 8:30 A.M. (Tuesday)