September 19, 2012 CSCE Board Meeting Minutes – 4:45 P.M - The Graduate Club, New Haven, CT

CSCE Members in Attendance: *Note: CSCE Board Members
Jen Buchanon*   Omkar Jambotkar   Jim Sime   Jason Waterbury*   Administrative Staff:  
Gary Fuerstenberg*   Ron Nault   Randy States   Amy Petrone
Bob Gomez*   Sara Ramsbottom*   Kassim Tarhini

1. **President - Robert Gomez**

1.1 Golf Tournament results - CSCE essentially broke even on this year’s golf tournament. CSCE should continue to keep costs low and attract more people to sign up for the tournament. In addition, CSCE could coordinate a, “Night on the Range,” for CSCE members to attend and get pointers from a golf pro.

1.2 Issue of vacant VP position on board - Kassim Tarhini is interested in volunteering to fill the Vice President position in the CSCE Executive Board. He provided the Board with an overview of his past and present work experience as well as an overview of his time spent volunteering with the ASCE section in Indiana.

1.3 Programs Committee (Jeff Benoit)

- **Government Engineers** Place = University of New Haven Date = 9/19/12
- **Fairfield County Branch Dinner Meeting** Place = TBD Date = Late Sept/Early Oct
- **Geotechnical Technical Group** Place = CCSU Date = 10/16/12
- **Water Resources Committee** Place = UConn* Date = 11/14/12
- **Fairfield County Branch Dinner Meeting** Place = TBD Date = Week of Jan. 14, 2013
- **Joint Meeting - Engineers Week** Place = TBD Date = February 2013
- **Construction Technical Group** Place = University of Hartford Date = 3/19/13*
- **Structures Technical Group** Place = U.S.C.G.A. Date = 4/17/13
- **6th Annual ACE Awards** Place = Aqua Turf Club Date = 5/14/13

*This date was was changed from 3/12/13 to 3/19/13 in order to accommodate scheduling with the University of Hartford.

2. **President-Elect – Sara Ramsbottom**

2.1 Structures Technical Group - Omkar Jambotkar will speak with representative from the University of Connecticut to assist with coordinating a speaker for the April 2013 dinner meeting.

2.2 Geotechnical Technical Group (Gary Fuerstenberg) - 9/21 CSCE-DFI Annual Seminar - 81 people are currently registered for the event. Amy Petrone will send another e-blast promoting the event.

2.3 Legislative Affairs Committee (Roy Merritt) - Since the July Planning Meeting, Bob Gomez and Roy Merritt met with Paul Brady of ACEC and the Connecticut Licensing Board to discuss the following topics: individuals being able to take the P.E. test without having an engineering degree, continuing education requirements for civil engineers and ASCE’s Raise the Bar Initiative. On September 11, 2012, ASCE National met with the National Association of College Deans to discuss ASCE’s Raise the Bar Initiative. Roy Merritt will speak with state legislators this fall about the continuing education requirements for civil engineers and ASCE’s Raise the Bar Initiative.

2.4 Water Resources Committee - CSCE is working with the USDA-NCRS (United States Department of Agriculture - Natural Resources Conservation Service) to provide a speaker for the CSCE dinner meeting on November 14, 2012.
3. **Vice-President – Open**

3.1 Continuing Education Committee - The topic of Call Before You Dig/Subsurface Utility Engineering was suggested as a potential topic for either a half day continuing education seminar or for a future dinner meeting.

4. **Treasurer – Gary Fuerstenberg**

4.1 Monthly Report - CSCE currently has approximately a $25,000 balance in its checking account. Bob Gomez, Jason Waterbury and Gary Fuerstenberg are all signatories on the account.

4.2 Younger Members Committee (Jen Buchanon)

4.2.1 Younger Members Board Status - The Younger Members Board had its first official meeting and is planning to host some social activities this fall. In the spring, the YM Board intends to conduct some outreach efforts to students.

4.2.2 Eastern Regional Younger Member Council (ERYMC) in Providence, RI - February 8-9, 2013 - Since the Council is so close by, CSCE will try to send 5-6 people to this conference. CSCE will send the Eastern Regional Younger Member Council (ERYMC) information to CSCE’s faculty advisors to help make them aware of this conference.

4.2.3 Budget - The YM Board is developing a budget for its activities and will forward it to the CSCE Board for its review.

4.2.4 Next YM Board Gathering - This event is scheduled to occur on September 27, 2012, in Cromwell, CT.

4.3 Scholarship Committee - Jim Sime provided an update on the Scholarship Fund (see next page). At this time, it is recommended that CSCE remain fully invested and maintain the Policy Portfolio percentages through periodic rebalancing.

5. **Director-1 – Jason Waterbury**

5.1 Past President Council - The Council met in April 2012 and is trying to schedule a meeting before the October monthly dinner meeting. The President and President-Elect are invited to attend the upcoming Council meeting in October. The members of the Council would like the CSCE Board to determine what issues the Council should initially address.

6. **Open Discussion**

6.1 ASCE Region 1 Assembly – September 2012 (Randy States) - At the Assembly, Billy Cunningham was recognized for his time spent as Region 1 Governor.

7. **Adjournment** - The meeting adjourned at 5:30 p.m.
Connecticut Society of Civil Engineers Section of the American Society of Civil Engineers
Scholarship Committee Report

SITUATION: As reported in the previous two annual reports, at the end of April 2011, the S&P 500 Index was 1,363.61; and on April 24, 2012 the S&P 500 Index was at 1,372. Today, September 19, 2012 the S&P 500 is at 1,462.88, which is up 6.6% from April 24.

At the Board’s direction, $3,500 was withdrawn in April 2012 for disbursement as part of the $12,500 in scholarship disbursements this spring, leaving a fund total on April 24 at $135,540.

Today, the Scholarship fund valuation is $142,191, 5.3% higher that its April 24 valuation.

Historical performance of the Scholarship fund for the last three years, based on the annual reporting period (April to April), was a +2.1%, +11.6% and +25.3% gains.

ASSET ALLOCATION: Last year, in the fixed-income component of the portfolio (30%), we completed purchases of a ladder of FDIC-insured Certificates of Deposits (CDs) to protect against capital loss associated with future increases in interest rates to historically normal levels. After interest rates have returned to historically normal levels and as CDs mature, it is anticipated that bond funds will be repurchased. In the equity component of the portfolio (70%), the Board approved a major change in investment strategy to a Swensen-style diversified portfolio of ultra-low-cost, no-transaction-fee Exchange Traded Funds (ETFs) that track major indices in U.S. domestic markets (30%), developed country markets (15%), emerging markets (5%), and real estate (20%).

NOTE: At July 2, 2012 Summer Planning Meeting, the Board approved a motion to change the 30% domestic equities asset allocation to: SCHB=20%; SCHM=5%; SCHA=5%. The new values are reflected in the table.

Portfolio rebalancing will continue throughout the year (April to April), which at a minimum is done prior to periodic (usually monthly) reports to the Board. Swensen reported in his book that frequent portfolio rebalancing has been shown to add approximately 1.1% to the annual return of a portfolio.

![Graph of CSCE Scholarship Fund performance since November 2009](image-url)
Connecticut Society of Civil Engineers Section of the American Society of Civil Engineers Scholarship Committee Report

<table>
<thead>
<tr>
<th>Policy Portfolio recommended by David Swensen/Yale</th>
<th>Symbol</th>
<th>Fund Allocation</th>
<th>Goal Amounts</th>
<th>Actual Amounts</th>
<th>Buy (Sell) this $ amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity Index ETF, Large Cap</td>
<td>SCHB</td>
<td>20.0% $28,438.26</td>
<td>$28,428.36</td>
<td>0.0% $9.90</td>
<td></td>
</tr>
<tr>
<td>Domestic Equity Index ETF, Mid Cap</td>
<td>SCHM</td>
<td>5.0% $7,109.57</td>
<td>$7,108.62</td>
<td>0.0% $0.95</td>
<td></td>
</tr>
<tr>
<td>Domestic Equity Index ETF, Small Cap</td>
<td>Scha</td>
<td>5.0% $7,109.57</td>
<td>$7,121.94</td>
<td>-0.2% $(12.87)</td>
<td></td>
</tr>
<tr>
<td>Foreign developed equity Index ETF</td>
<td>SCHF</td>
<td>15.0% $21,328.70</td>
<td>$21,386.70</td>
<td>-0.3% $(588.00)</td>
<td></td>
</tr>
<tr>
<td>Emerging market equity Index ETF</td>
<td>SCHH</td>
<td>5.0% $7,109.57</td>
<td>$7,095.20</td>
<td>0.2% $14.37</td>
<td></td>
</tr>
<tr>
<td>Real Estate Index ETF</td>
<td>SCHH</td>
<td>20.0% $28,438.26</td>
<td>$28,414.47</td>
<td>0.1% $23.79</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury bonds or FDIC-insured CDs</td>
<td>CD</td>
<td>20.5% $29,149.22</td>
<td>$29,104.75</td>
<td>0.2% $44.47</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury Inflation-protected Securities</td>
<td>SCHP</td>
<td>0.9% $710.96</td>
<td>$705.27</td>
<td>0.8% $5.69</td>
<td></td>
</tr>
<tr>
<td>GNMA MF (Schwab)</td>
<td>SWGSSX</td>
<td>1.9% $2,701.63</td>
<td>$2,690.80</td>
<td>0.4% $10.83</td>
<td></td>
</tr>
<tr>
<td>Doubleline Total Return Bond Fund</td>
<td>DLTNX</td>
<td>7.1% $10,095.58</td>
<td>$10,135.20</td>
<td>-0.4% $(25.62)</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>Cash</td>
<td>0.0% $-</td>
<td>$-</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>100.0%</td>
<td>142,191.31 $</td>
<td>142,191.31 $</td>
<td>142,191.31 $</td>
<td>142,191.31 $</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Current asset allocation of the Scholarship fund

FIXED INCOME: One CD has been added to the ladder. Combined, 20.5% of the fixed income allocation of the Scholarship fund is invested in a ladder of four (4) FDIC-insured Certificates of Deposits (CDs) with maturity dates that keep fixed-income funds intact in the future when interest rates will be increasing from current record lows back to historically normal levels. The next CD to mature is on February 4, 2013.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Due Date</th>
<th>Face Amount</th>
<th>Annual Rate</th>
<th>Coupon Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ally Bank</td>
<td>02/04/2013</td>
<td>$7,000</td>
<td>0.8%</td>
<td>Semi-annual</td>
</tr>
<tr>
<td>Natl bank (Wisconsin)</td>
<td>02/14/2018</td>
<td>$10,000</td>
<td>2.15%</td>
<td>Monthly</td>
</tr>
<tr>
<td>GE Money Bank</td>
<td>07/17/2017</td>
<td>$10,000</td>
<td>3.0%</td>
<td>Semi-annual</td>
</tr>
<tr>
<td>Goldman Sachs Bank</td>
<td>04/08/2019</td>
<td>$1,000</td>
<td>3.75%</td>
<td>Semi-annual</td>
</tr>
</tbody>
</table>

The remaining 9.5% of the fixed income portfolio is invested in a combination of a GNMA fund, U.S. TIPS and a Brinker-recommended Bond Fund. These three investments are subject to interest-rate risk since there is no mechanism available in these types of investments for CSCE to hold the borrowing instruments to maturity, however the funds offer flexibility in the future when additional funds are needed for scholarships.

RECOMMENDATION: 1) At this time, it is recommended that we remain fully invested and maintain the Policy Portfolio percentages through periodic rebalancing.