

Minutes for the CSCE Board Meeting – 4:55 p.m. October 11, 2011 – The Graduate Club, New Haven, CT

CSCE Members in Attendance:

Rob Barakat*	Tom Loto*	Jim Sime
Billy Cunningham	Ron Nault*	Randy States
	Sara Ramsbottom*	Jason Waterbury*

Administrative Staff:
Amy Petrone

*Note: CSCE Board Members

1. President - Jason Waterbury

- 1.1 Goals for upcoming year
- 1.1.1 Media/Public Outreach (public relations) – Billboards – Rob Barakat will update the artwork for the billboards to include positive and negative images of civil engineering projects. Sara Ramsbottom offered to help determine the template for the billboards.
- 1.1.2 Town Hall-style meeting – Jason Waterbury will speak with Paul Brady of the Connecticut Society of Professional Engineers (CSPE) to determine if this meeting could be scheduled during Engineers Week in February 2012.
- 1.2 History & Heritage Committee (Randy) – Billy Cunningham and Randy States are going to meet soon to review the status of this Committee's nomination of the New Haven Northampton Alignment for ASCE's Historic Civil Engineering Landmark Status. George Costa from the Western Massachusetts Section of ASCE is also interested in helping out with the nomination.

2. Vice-President –Sara Ramsbottom

- 2.1 Student Chapters/Students
- 2.1.1 Presentations at high schools, practitioner advisors, guest speakers at ASCE student chapters – Jason Waterbury and Bob Gomez will work with Sara Ramsbottom to speak at local schools about careers in civil engineering.
- 2.1.2 Concrete Structures Class Request – This request will be added to CSCE's next newsletter.
- 2.2 Continuing Education Committee – Disaster Response Training – Billy Cunningham and Sara Ramsbottom will coordinate the broadcast of this training possibly during Engineers Week 2012.

3. Secretary/Administrative Assistant – Greg Holness/Amy Petrone

- 3.1 Administrative - Meeting Minutes from Previous Meeting – Sara Ramsbottom made a motion to accept the meeting minutes from the September 14, 2011 CSCE Board meeting. Rob Barakat seconded the motion and it passed unanimously.

4. Treasurer – Tom Loto

- 4.1 Younger Members Committee (Sara Ramsbottom) – Nine people attended the recent Younger Members Committee meeting. The Committee is considering hosting a tour of a local lab for high school students and/or a presentation of an overview of the history of civil engineering.
- 4.2 Scholarship Committee (Jim Sime) – Jim Sime provided the Board with an update on the CSCE Scholarship Fund.

5. Newsletter Editor – Jen Buchanon

- 5.1 ASCE Committee on Critical Infrastructure – Sara Ramsbottom will forward information about an upcoming disaster response training to Jen Buchanon for inclusion in the next CSCE newsletter.

6. Director-II – Ron Nault

- 6.1 Nominating committee – Solicit for Ben Wright award all year – Rob Barakat will coordinate this effort through his work on the Past President Council.
- 6.2 Aligning local technical groups with ASCE Institutes – Ron Nault will work with Billy Cunningham on this topic.

7. Director-1 – Rabih Barakat

- 7.1 Website Committee – Rob Barakat will look into ways to update the website.

8. Open Discussion

- 8.1 October 20-22, 2011 - ASCE's 141st Annual Civil Engineering Conference – Memphis, TN – Rob Barakat and/or Bob Gomez may be able to attend this conference on behalf of CSCE.

- 9. **Adjournment** - The meeting adjourned at 5:30 p.m. The next Board meeting is scheduled for 4:30 p.m. in the vicinity of the University of Hartford on November 15, 2011.

**Connecticut Society of Civil Engineers Section of the
American Society of Civil Engineers
October 11, 2011**

Brinker's analysis has reduced its forecast of GDP growth to a range of 1% to 2% in 2011. Brinker points out that low interest rates, various current-market characteristics, and low inflation are positive for equities, and based on current estimates of earnings at \$95.00 and a 15-15.5 earnings multiple, and expects the S&P 500 to reach the low-to-mid 1400 price range. Based on this assessment, the equity market (S&P 500) appears to be undervalued by about 19 percent and is attractive for purchased of equities on market weakness.

During the 2011-2012 CSCE program year, I anticipate developing a proposal based on concepts described and explained by Prof. David F. Swensen (Yale University) in his 2005 book, "Unconventional Success: A Fundamental Approach to Personal Investment." Prof. Swensen manages the Yale Endowment and his book is on Bob Brinker's recommended reading list. Based on my studies, I anticipate developing a proposal for the Board based on low-cost, no-transaction-fee Exchange Traded Funds (Index ETFs) available from Schwab, out current brokerage firm. CDs purchased by the CSCE Scholarship fund are consistent with the concepts described by Prof. Swensen. In fact, the guidance provided by both Bob Brinker and Prof. Swensen are similar, however I believe that over the next 10+ years, embracing several concepts explained and strongly advocated by Prof. Swensen would provide greater Scholarship fund growth.

Some key points of Prof. Swensen:

- An equity biased portfolio will outperform a fixed-income biased portfolio
- Avoid transaction fees (Brinker recommendation that we follow)
- Avoid actively managed funds for most of the equity portion of the portfolio because it's difficult to do and needs higher management fees in a mutual fund (Brinker concurs. Brinker analyses actively managed funds with low fees and the potential to out perform index funds)
- Utilize alternative asset classes for about 20% of the portfolio, not equities and not fixed income, i.e., real estate investment trusts - Schwab offers a REIT-index ETF we can consider

At this time, no changes in equity funds are recommended.

FIXED INCOME: Previously, the Board approved reducing our weighting in the GNMA bond fund to no more than \$10,000. Although GNMA funds are secure against losses from default, they are subject to interest-rate risk. Therefore, reducing our exposure to \$10,000 in GNMA (approved previously by the Board) makes it possible to protect the fixed income allocation of the Scholarship fund through CDs.

Four FDIC-insured Certificates of Deposits (CDs) were purchased in a ladder of maturity dates, to keep fixed-income funds intact during the anticipated time period when interest rates will be increasing from current record lows back to historically normal levels.

Bank	Due Date	Face Amount	Annual Rate	Coupon Frequency
Bank of China	11/09/2011	\$10,000	0.4%	At maturity
Safra Natl Bank	03/16/2012	\$10,000	0.4%	Semi-annual
Ally Bank	02/04/2013	\$7,000	0.8%	Semi-annual
Natl bank (Wisconsin)	02/14/2018	\$10,000	2.15%	Monthly
GE Money Bank	07/17/2017	\$10,000	3.0%	Semi-annual

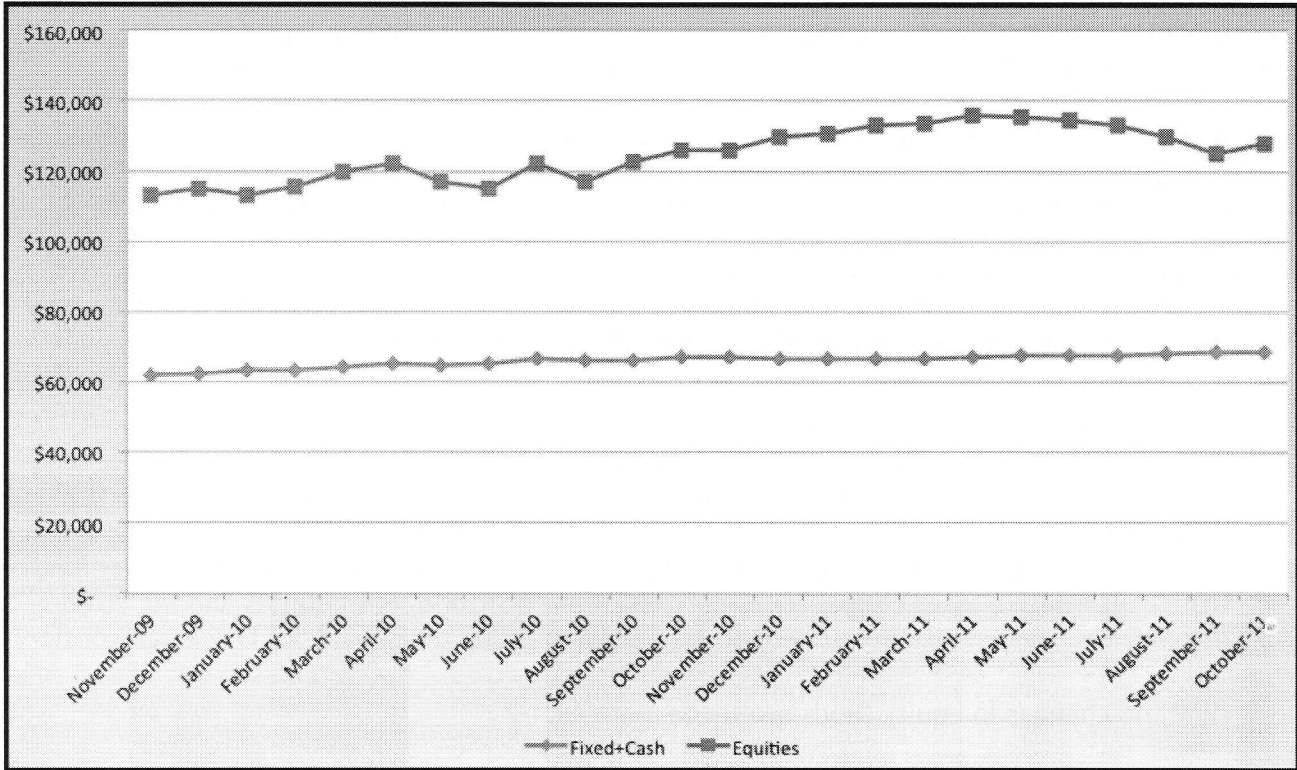
In the future, once we reach higher interest rates, it is anticipated that as investments in CDs mature, the funds can be reinvested back into new CDs or the GNMA fund, and possibly other bond funds as well, at share-prices that will be lower than today's prices. U.S. TIPS and Treasuries are an ultra safe possibility as well.

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SITUATION: At the end of April 2011, the S&P 500 was 1,363.61, very near the year's high (so far). On October 11, 2011 the inter-day S&P 500 is at 1,195. Since the end of April 2011, CSCE Scholarship fund has declined 6.0% versus the 12.4% decline in the S&P 500.

Bob Brinker has observed that corporate profits continue to be positive as the economy, as measured by GDP, grows at a slow pace of 1-2% this year.

Table 1 CSCE Scholarship Fund performance since 2009



	Fixed+Cash	Equities	End-of-Mo. Total
August-10	\$ 66,280	\$ 50,791	\$ 117,071
September-10	\$ 66,336	\$ 56,264	\$ 122,600
October-10	\$ 67,007	\$ 58,716	\$ 125,723
November-10	\$ 66,963	\$ 58,880	\$ 125,843
December-10	\$ 66,559	\$ 62,970	\$ 129,530
January-11	\$ 66,544	\$ 64,252	\$ 130,796
February-11	\$ 66,641	\$ 66,406	\$ 133,047
March-11	\$ 66,636	\$ 66,814	\$ 133,450
April-11	\$ 67,087	\$ 69,050	\$ 136,136
May-11	\$ 67,475	\$ 68,150	\$ 135,625
June-11	\$ 67,524	\$ 66,796	\$ 134,320
July-11	\$ 67,771	\$ 65,465	\$ 133,236
August-11	\$ 68,274	\$ 61,485	\$ 129,759
September-11	\$ 68,381	\$ 56,386	\$ 124,767
October 11, 2011	\$ 68,310	\$ 59,712	\$ 128,022

Figure 1 Table of Asset Allocation Quarterly: Aug 2010 - Oct 2011