The meeting began at 4:00 p.m. Those in attendance were Chris Beaulieu, Ben Cote, George Gerard, Julie Silva (by telephone) and Amy Petrone. Jim Sime and David Chapman joined the meeting at approximately 4:45 p.m. The following topics were discussed:

**Dinner Meetings** – Details for all the upcoming dinner meetings need to be finalized. To help with the planning for the March dinner meeting in Fairfield County, Amy Petrone will contact community colleges in Fairfield County to determine if a meeting can be held at one of them.

**ACE Awards** – Based on the discussion at the 2017 planning meeting, the Awards application needs to be updated. The work on the update will be done by Julie Silva and Amy Petrone. A progress report will be given at the next Board meeting on November 7, 2017. Chris Beaulieu will contact ASCE and Billy Cunningham to see if 2019 ASCE President Robin Kemper can attend the 2018 ACE Awards.

**CSCE Annual Events** - Progress related to the Structures Technical Group workshop, the golf outing and other Younger Members events will be discussed at the next Board meeting on November 7, 2017.

**ASCE National Activities**
1. September/Fall Regional Meeting – No one from CSCE was able to attend this meeting.
2. President and Governor’s Forum – Because of scheduling challenges, no one from CSCE can attend this forum.
3. February Multi-Regional Meeting in Buffalo, NY – CSCE may send three Younger Members to this meeting. Chris Beaulieu will send an email to the CSCE Board regarding how many people from CSCE are interested in attending the meetings.

**CSCE Bylaws & Operations Manual** - The Board would like to invite Kassim Tarhini to its next Board meeting on November 7, 2017, to provide a status report of the updates to the Bylaws and Operations Manual.

**CSCE Website** - CSCE has launched a new website, which is part of ASCE’s website. To redirect traffic from old website, Amy Petrone will put a note based on language from the newsletter on the old website for now.

**Connecticut State Report Card** – Chris Beaulieu will reach out to the contributors to the Report Card for a status update.

**Connecticut Science Center – STEM Careers Presentation** – A representative of the Science Center contacted CSCE about a new fall program at the Science Center for high school students that will allow them to explore various STEM content and STEM careers. A new unit on civil engineering/architecture is beginning in October and the Science Center would like to find a CSCE volunteer to talk with the students and/or present a short program. CSCE members would be interested in volunteering, but need to know more specifics about the expectations of the Science Center. Amy Petrone will reply to the Science Center and ask for more specifics about this opportunity.

**Open Discussion**
Projectors & Pullup Banners – Based on a discussion at the 2017 planning meeting, Amy Petrone provided the Board with price estimates on projectors and a pull-up CSCE banner (see attached).

Scholarship Report – Jim Sime provided the Board with a Scholarship Report (see attached).

The meeting adjourned at 4:55 p.m.

The next Board Meeting is scheduled for 4:00 p.m. at Quinnipiac University on November 7, 2017.
Please see below for 3 projectors that got good reviews on Amazon.

iDGLAX iDG-787W LCD LED Video Multimedia Mini Portable Projector with Free HDMI cable for Home Theater Movie Nights…
by iDGLAX
$97.25

Projector, Xinda LCD 1200 Lumens Mini Multi-media Video Projector Game Home Cinema Theater Movie White…
by XINDA
$75.99

Tronfy Projector, GP80 1800 ANSI Lumens Portable Video Projector Home Cinema Theater Movie Night, VGA USB HDMI Support Smart Phone Tablets Laptops Full HD Games, AC Adaptor Included – Black

Price: $99.99
Retractable Banners:

**Vistaprint.com**: - $105

**Buldasign.com**:

Banners come ready to use. **No Assembly Required**

**Regular Stand**
Narrow base with folding legs and matte finish. Great for basic banner needs. **Free Carrying Case Included!**
$84.99 each

**Professional Stand**
Sturdy, wider base with deluxe finish. Made with durable, high-quality materials. **Free Carrying Case Included!**
$152.99 each
Connecticut Society of Civil Engineers Section of the American Society of Civil Engineers 
Scholarship Committee Report for September 2017

<table>
<thead>
<tr>
<th>Policy Portfolio recommended by David Swensen/Yale</th>
<th>Symbol</th>
<th>goal %</th>
<th>Goal/Policy Fund Allocation</th>
<th>9/13/17</th>
<th>Actual %</th>
<th>Actual Fund Allocation</th>
<th>Buy (Sell) this # Shares</th>
<th>Buy (Sell) this $ amount</th>
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<tbody>
<tr>
<td>Domestic Equity Index ETF, Large Cap</td>
<td>SCHB</td>
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<td>$(510)</td>
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<td>$24</td>
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<tr>
<td>Guggenheim S&amp;P 500® Equal Wt Energy ETF</td>
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<td>$(662)</td>
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<td>$(55)</td>
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<td>$6</td>
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<td>$59</td>
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<td>-</td>
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<tr>
<td>Cash</td>
<td>Cash</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
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<td><strong>Totals, above</strong></td>
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<td><strong>$213,186.34</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$213,186.34</strong></td>
<td><strong>$213,186.34</strong></td>
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</tr>
<tr>
<td></td>
<td>goal %</td>
<td>goal $</td>
<td>actual $</td>
<td>actual %</td>
<td>actual %</td>
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<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>15.0%</td>
<td>$31,977.95</td>
<td>$31,971.52</td>
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<td>15.0%</td>
<td>15.0%</td>
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<tr>
<td>Fixed Income</td>
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<td>30.0%</td>
<td>30.0%</td>
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<td></td>
</tr>
<tr>
<td>Cash</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
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<td></td>
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<tr>
<td><strong>Totals, above</strong></td>
<td></td>
<td><strong>100.0%</strong></td>
<td><strong>$213,186.34</strong></td>
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<td><strong>100.0%</strong></td>
<td><strong>$213,186.34</strong></td>
<td><strong>$213,186.34</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 Asset allocation today

CURRENT SITUATION:

Brinker periodically reminds readers that historically, the kind of market correction we experienced in the first quarter of 2016 can be expected to occur about every 18 months in the U.S. stock market. In addition, Brinker always maintains that he cannot predict when these “health-restoring market corrections” of at least 8-10% will occur (the last one in 2016 was a decline of -14.1%). When the market fluctuates downward by less than 8%, it is not, by definition, a market correction. The primary value of Brinker’s predictive capabilities is twofold: 1) the possibility of avoiding future and more serious recessions and bear-market downturns, many of which are greater than 20% declines that last more than 18 months; and, 2) guidance that keeps investors fully invested in the market at all other times.

Along this line of thought, I recently read an interesting quote from the 2015 edition of “A Random Walk Down Wall Street” by Princeton Professor, Burton G. Malkiel. On page 157, “Professor H. Negat Seybun of the University of Michigan found that 95 percent of the significant market gains over a thirty (30) year period came on ninety (90) of the roughly 7,500 trading days. If you happen to miss those 90 days, just over one (1) percent of the total trading days, the generous long-run stock-market returns of the period would be wiped out. Studying a longer period, Laszlo Birinyi, in his book Master Trader, has calculated that a buy-and-hold investor would have seen one dollar ($1) invested in the Dow Jones Industrial Average in 1900 grow to $290 by the start of 2013. Had the investor missed the best five days a year (5 days/year), however, that dollar (41) investment would have been worth less than a penny (<$.01)."

Over the 40+ years that I have been an active investor, What I’ve observed from time to time is consistent with the statistical analyses of Professor Seybun and Laszlo Birinyi. Occasionally and on random days, the stock market has jumped and the market was thereafter on a higher plateau, where it continued its smaller daily fluctuations. If some of the account’s investible funds were out of the market (in cash) on those few days, that part of the investment portfolio missed the one-time advance.
MID-TERM OFF-PRESIDENTIAL ELECTION YEAR MARKET DECLINES:

In the September 2017 issue of Marketimer, Bob Brinker wrote about a different type of market correction that may occur sometime between the fourth quarter of 2017 and the summer of 2018. Brinker presented historical information on fourteen (14) mid-term off-presidential election year market declines from 1962 to 2014, where each was a decline of -7.4% to -48.2%. Each decline was followed by a rebound rally lasting 16 to 93 months. Of the last eight such declines, half (4) were declines of less that -10%, three (3) were between -10% and -20%, and just one was greater at -33.6%. The -33.6% decline was a bear market decline.

The other seven (7) most recent mid-term off-presidential year market declines were market corrections, not bear markets. Brinker’s market timing indicators lead him to believe that any decline in the market related to the 2018 mid-term off-presidential election year is more likely to be a market correction, not a bear market.

Brinker’s September 5th observations on his stock market timing model elements are:

1. **Economic Outlook**: modest real GDP growth in the range of 2.0 to 2.6 with a midpoint estimate for 2017 if 2.3%, which is a slightly lower value than his midpoint estimates of 2.5%, that was present earlier this year. Tax reform, if enacted, would be too late in the year to impact GDP growth. The actual GDP growth rates in 2014 and 2015 were both 2.4%, while growth in 2016 was 1.9%. Presently, three other economic indexes that Brinker follows are all positive. No red flags at this time.

2. **Monetary Policy**: Federal Reserve (Fed) monetary policy remains accommodative, but is in a normalization phase, gradually increasing interest rates to a historically “normal” range. Presently, the Federal Funds Overnight Interest Rate (FFOIR) is in the range of 1.00-1.25% (annualized rate) after a recent quarter-point increase. One additional quarter-point increase is possible later this year. Brinker continues to monitor both trends and values of interest-rate levels relative to measures of inflation and employment. In addition, the Fed is signaling that they expect to begin a gradual process to reduce their balance sheet of $4.5B in Treasuries and mortgage-backed securities, as conditions allow, until a level of about $2.5B is reached. Subject to unfolding economic conditions, this process is likely to begin sometime in 2018.

3. **Stock Market Valuation**: Brinker’s primary stock market measure is the Price/Earnings ratio (P/E) of the S&P500 Index. Brinker maintains a P/E valuation estimate in the range of 17 to 18 times operating earnings. Overvaluation would be indicated by values climbing into the 20’s. Brinker cites the Year 2000 P/E ratio value that approached 30 as an example of a leading indicator of the Bear market that followed.

MARKET OUTLOOK:

In recent months, the S&P500 market valuation has risen and stayed at or near new all-time highs, like yesterday, at 2,496. In his September 5th newsletter, Brinker continues to estimate S&P500 operating earnings for 2017 at $130, and 2018 earnings of $140. His valuation range for the P/E ratio of the S&P500 continues in the range of 17 to 18, therefore market valuation is predicted at between 2,210 and 2,340 by the end of 2017, and between 2,380 and 2,520 by the end of 2018. The market is trading above the predicted 2017 levels. In earlier 2017 Marketimer issues, Brinker observed that there was potential for the S&P500 to rise to the 2400s as a result of the historical tendency for markets to exceed fair valuation levels based on anticipated positive future developments.

As a result, you can see that market advances of recent months may be pulled back temporarily through a market fluctuation (<8%) or correction (>8-10%), not to be confused with bear markets or recessions. In the September issue, Brinker is adding another reason for a market pullback, the possibility of a mid-term off-presidential election year market decline that may occur sometime between the fourth quarter of 2017 and the summer of 2018.
Brinker’s guidance can be summarized as to stay fully invested, rebalance to maintain your chosen asset allocation, and don’t be surprised by a sudden stock market pull back in the coming months.

LONG-TERM MEGATRENDS:

The present market level is 269% higher than the S&P500 as it stood at the beginning of the current bull market on March 9, 2009 (676.53).

<table>
<thead>
<tr>
<th>Cyclic Type</th>
<th>Time Period</th>
<th>Time (years)</th>
<th>Perc. Change</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bear</td>
<td>March 2000 to Oct 2002</td>
<td>2.54</td>
<td>-49%</td>
<td>03/27/00: S&amp;P500 = 1,527.46</td>
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<tr>
<td>Bull</td>
<td>Oct 2002 to Oct 2007</td>
<td>5.00</td>
<td>101%</td>
<td>10/09/02: S&amp;P500 = 776.76</td>
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<tr>
<td>Bear</td>
<td>Oct 2007 to March 2009</td>
<td>1.42</td>
<td>-57%</td>
<td>10/09/07: S&amp;P500 = 1,565.15</td>
</tr>
<tr>
<td>Bull</td>
<td>March 2009 to September 2017</td>
<td>8.50</td>
<td>269%</td>
<td>09/13/17: S&amp;P500 = 2,496</td>
</tr>
</tbody>
</table>

Table 2  Summary of Bull and Bear Cycles in U.S. Stock Market

ASSET ALLOCATION: The present Policy Allocation (Goal) in this portfolio is 55% to Equities, 15% to Real Estate, and 30% to Fixed Income investments.

EQUITIES: Specific allocations by asset class are: 25% to U.S. Domestic Markets, 10% to Energy Sector, 15% to Foreign-developed Country Markets, 5% to Foreign-emerging Markets, and 15% to Real Estate. Equity investments are presently in balance.

In the equity and real estate components of the portfolio (combined 70% goal), the Board-approved investment strategy is based on a Swensen-style (Yale) diversified portfolio of ultra-low-cost, no-transaction-fee Exchange Traded Funds (ETFs) that track major indices. Portfolio rebalancing continues throughout the year (April to April), which at a minimum is done prior to periodic (usually monthly) reports to the Board.

FIXED INCOME: In the fixed income component of the portfolio (30% goal), the Scholarship fund is entirely invested in a ladder of FDIC-insured Certificates of Deposit (CDs) with various maturity dates. CDs keep fixed-income funds intact. Interest rates are projected to increase gradually from record lows back to historically normal levels likely in the 4 to 6% range for a 10-year U.S. Treasury Note. The next CD to mature in our current ladder will be on February 14, 2018.

As noted in Table 3, below, the weighted average yield of the CD ladder is 2.83%. This calculation is based on the face value of the CDs.
REBALANCING: We continue to follow Yale Professor David Swensen’s advice, as explained in his book, “Unconventional Success: A Fundamental Approach to Personal Investment” to frequently rebalance the portfolio, which studies have shown can add approximately 1.1% to the annual return of a portfolio as compared to an unbalanced portfolio with the same securities and starting point.

RECOMMENDATION:

It is recommended that we continue to remain fully invested and maintain the Policy Portfolio percentages through periodic re-balancing.

Lastly, it is recommended to continue following Brinker’s market analyses as they may lead to a change in his market outlook, which is and has been positive for more than eight and a half years.