

1. Meeting Agenda - June 7

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2. Minutes Subject To Approval - June 7

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[MINUTES SUBJECT TO APPROVAL - 06 07 17.PDF](#)

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[APPROVED MINUTES - 06 07 17.PDF](#)



TOWN OF GREENWICH

**BOARD OF ESTIMATE & TAXATION
INVESTMENT ADVISORY COMMITTEE MEETING**

**Wednesday, June 7, 2017
10:30 A.M.**

**Mazza Room
1st Floor, Town Hall**

AGENDA

1. Approval of BET Investment Advisory May 4, 2017 Committee Meeting Minutes
2. Review and Approve Actions of the OPEB Trust Board Meeting
3. Review of status of Retirement Board RFP for outsourced Chief Investment Officer services
4. New Business
5. Adjournment

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee
Meeting Minutes - Wednesday, June 7, 2017
Mazza Room, First Floor, Town Hall

Present:

Committee: John Blankley, Arthur Norton, Anthony Turner
Absent: William Drake, Chairman

Staff: Peter Mynarski, Comptroller

BET: Leslie Tarkington

OPEB: Joseph Pellegrino

The meeting was called to order at 10:35 A.M.

Approval of Investment Advisory Committee Meeting Minutes

Upon a motion by Mr. Blankley, seconded by Mr. Turner, the Committee voted 3-0 to approve the Minutes of May 4, 2017.

Review and Approval of Actions of the OPEB Trust Board Meeting

During the OPEB Board's preceding meeting, the Board discussed current market conditions and concluded they were comfortable with the current asset and sector allocations. The Board discussed the possibility of going from the hedged to the dollar WisdomTree Europe ETF to the unhedged ETF given the weakness in the dollar. They decided that they should move the position to Oakmark International, an actively managed fund, experienced in those currency exposure decisions as well as geographic allocations. The Board took the following actions:

The OPEB Board voted 3-0 to liquidate the Wisdom Tree Europe Hedged Equity Fund (HEDJ) and add the proceeds of the sale (approximately \$592,115) to Oakmark International (OAYIX).

The OPEB Board also voted 3-0 to reduce the assets in the Vanguard Fed Money Market Fund (VMFXX), to a token investment, approximately \$10,000, and invest the balance of the proceeds, approximately \$1,290,529, into an alternative Vanguard money market fund selected by the Treasurer, Ms. Murphy, based on the relative SEC yield and subject to the approval of Mr. Stricker, OPEB Chairman. The objective of this change was to continue to hold the near cash position but in a higher yielding fund.

Upon a motion by Mr. Turner, seconded by Mr. Blankley, the Committee voted 3 - 0 to approve the foregoing transactions of the OPEB Trust.

Review of status of Retirement Board RFP for outsource Chief Investment Officer services

Ms. Tarkington, as the Chair of the Law Committee, described the Law Committee's process of reviewing the contract prepared as a draft agreement for CIO services being negotiated with

Neuberger Berman, the private investment management company selected from respondents to TOG's RFP. The Law Department had approved the Agreement and the Law Committee, which had voted 2-0 agreeing that the documents were in legal order. Ms. Tarkington offered that it would have been preferable for the process to have begun with IAC suggesting the Terms of Agreement, rather than the reverse which is what had taken place. Mr. Pellegrino explained that the Investment Agreement was a 38-page document, whereas the entire submission of respondents to the RFP was approximately 700-pages. Mr. Norton added that TOG's previous investment management Agreement with Frank Russell, was very similar to the draft proposed for the TOG/Neuberger Berman Agreement.

Mr. Pellegrino comment that several features negotiated in the document were to TOG's advantage: 1) low fees; 2) Neuberger Berman was CIO for other municipalities; 3) the fiduciary responsibility from professional management; 4) the custodian of the assets would remain the same.

Mr. Norton asked for a voted endorsing the newest draft of the Agreement but reminded the Committee that the previous meeting's vote had not been unanimous. Mr. Blankley suggested a fee schedule comparison between the current investment advisor, NEPC, and proposed fees under the potential Agreement with Neuberger Berman.

Mr. Turner asked that the Law Department provide a letter from Mr. McLaughlin, since the Law Committee had approved the Agreement subject to the approval of the Law Department. He commented that the terms of the Agreement's business process had ramifications on the responsibilities of the Retirement Board which needed to be clarified.

Mr. Norton asked that a new draft of the Agreement be forwarded to Mr. Turner and another meeting of IAC takes place before the Agreement could be referred to the BET for its Monday Agenda. Mr. Blankley proposed a special meeting for Friday, June 9, 2017 at 8:00 A.M. which would be attended by Mr. Smoot, the Retirement Board's attorney and Mr. McLaughlin. No material changes were anticipated but the recommendation of approval to the BET based on the fiduciary and management transfer to Neuberger Berman would be discussed.

New Business

The proposed Special Meeting to be scheduled for Friday, June 9, 2017 at 8:00 A.M. was agreed to.

Adjournment

The Committee voted unanimously to adjourn at 11:17 A.M.

Catherine Sidor, Recording Secretary

Arthur Norton, Investment Advisory Committee

Schedule of Future Regular IAC Meetings

July 12, 2017 at 10:00 A.M.

August – no meeting is scheduled

September 7, 2017 at 10:00 A.M.

October 5, 2017 at 10:00 A.M.

November 8, 2017 at 10:00 A.M.

December 7, 2017 at 10:00 A.M.

* Oakmark International previous symbol, OAKIX, updated to new symbol OAYIX. Original symbol retained to maintain price/performance tracking history.

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BOARD OF ESTIMATE AND TAXATION
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