

1. Meeting Agenda - June 21

Documents:

[MEETING AGENDA - 06 21 16.PDF](#)

2. Minutes Subject To Approval - June 21

Documents:

[MINUTES SUBJECT TO APPROVAL - 06 21 16.PDF](#)

3. Approved Minutes - June 21

Documents:

[APPROVED MINUTES - 06 21 16.PDF](#)



TOWN OF GREENWICH

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

**Tuesday, June 21, 2016
10:30 A.M.**

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

AGENDA

1. Approval of Meeting Minutes of May 2, 2016
2. Review and Approve Actions of the OPEB Trust Board Meeting
3. Denomination of Rob Stricker to the OPEB Board for a three year term commencing July 1, 2016
4. Consideration of Retirement Board Investment Agreement: account application at State Street Global Markets, LLC for investment in Exchange-Traded Funds (ETFs)
5. Old Business – Consideration of a BET Procedure for Retirement Board Investments
6. New Business
7. Adjournment

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

Investment Advisory Committee

Meeting Minutes

Tuesday, June 21, 2016

Mazza Room, Town Hall

Present:

Committee: William Drake, Chairman; Arthur Norton, John Blankley, Leslie Moriarty

Staff: Peter Mynarski, Comptroller

BET Member: Jill Oberlander

Other: Robert Stricker, Chairman, OPEB Board

The meeting was called to order at 10:32 A.M.

Upon a motion by Mr. Norton to amend Item 3 on the Agenda to replace the word “denominate” with the word “re-nominate” and to consider this item earlier in the agenda, seconded by Mr. Drake, the Committee voted 4-0 to approve the changes.

Approval of Investment Advisory Committee Meeting Minutes of May 2, 2016

Upon a motion by Mr. Norton, seconded by Mr. Blankley, the Committee voted 4-0 to approve the Minutes of May 2, 2016.

Review and Approval of Actions of the OPEB Trust Board Meeting

In the OPEB Board’s preceding meeting, the Board voted 3-0 to sell \$600,000 of the Trust’s position in the Vanguard Total Bond Fund (VBTLX) (approximately 2.5% of the Trust) and invest the proceeds in Alerian MLP (AMLPL), an ETF that focuses on energy infrastructure.

The Board also voted 3-0 to move the entire position in the Vanguard Prime Money Market (VMMXX) to the Vanguard Fed Money Market (VFMXX). VFMXX has a constant Net Asset Value of \$1.00, while VMMXX will be marked to market under new regulatory rules. The money market account is used as the sweep account for trading activity/rebalancing.

Upon a motion by Mr. Norton, seconded by Mr. Blankley, the Committee voted 4-0 to approve the foregoing actions of the OPEB Trust.

Re-nomination of Rob Stricker to the OPEB Board for a three year term commencing July 1, 2016

Mr. Norton asked Mr. Stricker if he would volunteer to serve another 3-year term on the OPEB Board; when Mr. Stricker responded affirmatively, Mr. Norton additionally asked if he would serve as the Chairman for another 1-year term to which Mr. Stricker also responded affirmatively. Mr. Stricker’s long successful experience in fixed income investing was noted.

Ms. Moriarty asked if the Town would be better served by active or passive investing of the OPEB portfolio. Mr. Stricker responded that the low interest rates in the current market caused this to be a low return environment, a topic which was discussed continually at OPEB meetings. Mr. Drake noted that certain parameters of the fund management are set by the Town Charter. Mr. Norton commented that the current Board (one Fixed Income and two Equity investors) had strong, knowledgeable members. The Committee asked Mr. Stricker his opinion of moving the entire Portfolio to 100% Equity, to which he commented that Bonds lessened volatility and reduced risk. Mr. Stricker remarked that the Board was currently researching investing in the VXX (Volatility Exchange-traded security). Mr. Drake advised caution as this is a derivative, which are not all well understood by the public. Mr. Norton and Mr. Stricker noted that all investments are to conform to the OPEB Investment Policy Statement.

Upon a motion by Mr. Drake, seconded by Mr. Norton to re-nominate Mr. Stricker to OPEB for a 3- year term commencing July 1, 2016, the Committee voted 4-0 to approve the nomination.

Upon a motion by Mr. Drake seconded by Mr. Norton to appoint Mr. Stricker as Chairman for a 1-year term commencing July 1, 2016, the Committee voted 4-0 to approve the appointment.

Consideration of Retirement Board Investment Agreement; account application at State Street Global Markets, LLC for investment in Exchange-Traded Funds (ETFs)

Mr. Drake commented that the Agreement had been reviewed extensively by outside counsel. Its objective is to allow the OPEB fund to invest in Exchange-Traded Funds (ETFs). ETFs are a growing, well-established security market, which allows for improved liquidity, reduced complexity and reduced cost. Upon a question by Ms. Moriarty, Mr. Drake commented that the Agreement changed execution not policy; investing in ETFs was simply the use of a different investment vehicle that provided flexibility in the desired category of investments at no additional risk.

Mr. Mynarski commented that the OPEB Board recently changed from quarterly to monthly meetings, allowing a closer management of the portfolio.

Upon a motion by Mr. Norton, seconded by Mr. Blankley, the Committee voted 4-0 to approve the Retirement Board Investment Agreement with State Street Global Markets, LLC.

Old Business

Consideration of BET Procedures for Review of Retirement Board Investment Agreements

Mr. Drake noted that several months earlier, the Committee had initiated the creation of new BET Procedures for Review of Retirement Board Investment Agreements. These procedures are intended to clarify the BET's review and approval of these Agreements, which is required under the Charter. One primary goal of the Procedures is to avoid duplication of roles among the Retirement Board and the BET. The Procedures had benefited from comments and suggested language from members of the Committee as well as other BET members. The text of the Procedures under consideration had incorporated a consensus of ideas. The final matter was to ensure that the Retirement Board's approach to investing in ETFs and the Procedures

were compatible. The State Street Agreement (earlier approved) necessitated no further change to the Procedure.

Upon a motion by Mr. Blankley, seconded by Mr. Norton, the Committee voted 4-0 to adopt the BET Procedures for Review of Retirement Board Investment Agreements and refer it to the BET for its approval and inclusion among the Policies and Procedures in the BET Reference Book.

New Business

Since the Committee agreed on the following dates for their next meetings at 10:30 A.M.:

July 6, 2016 – Wednesday
August 8, 2016 – Monday
September 7, 2016 - Wednesday

Next meeting was scheduled for July 6, 2016 at 10:30 A.M. in a meeting room to be determined.

Adjournment

Upon a motion by Mr. Blankley, seconded by Mr. Norton, the Committee voted 4-0 to adjourn at 11:25 A.M.

SUBJECT TO APPROVAL

William Drake, Investment Committee Chairman

Catherine Sidor, Recording Secretary

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee
Meeting Minutes
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New Business

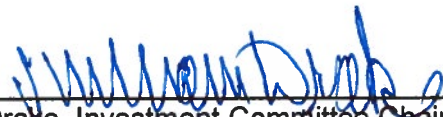
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William Drake, Investment Committee Chairman



Catherine Sidor, Recording Secretary