

1. BET Investment Advisory Comm. Meeting Documents

Documents:

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[BET_IAC_MTG_AGENDA_07-12-13.PDF](#)

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee

MINUTES – Evaristo Conference Room
Third Floor, Town Hall
8:30 A.M.

Friday – July 12, 2013

Present:

Committee Members: Greg Bedrosian, Chairman, William Finger,
Sean Goldrick, Art Norton

Other Attendants: Peter Mynarski, Comptroller, Kathleen Murphy,
Treasurer, Robert Stricker, Chairman, OPEB Trust Board,
Laurence Simon, Retirement Board Member

BET: Members: Leslie Tarkington & Jeff Ramer

The meeting was called to order at 8:34 A.M.

1. Interview Robert Stricker for the OPEB Trust Board, for a three year term to June 30, 2016

The Committee members interviewed Mr. Stricker for a three year term to June 30, 2016. On a motion by Mr. Finger, seconded by Mr. Norton, the Committee voted 4 to 0 to extend Mr. Stricker's term to June 30, 2016.

2. Interview Robert Stricker to serve as Chair OPEB Trust Board for a one-year term to June 30, 2014

The Committee members interviewed Mr. Stricker for a one-year term as Chairman of the OPEB Trust Board to June 30, 2014. On a motion by Mr. Finger, seconded by Mr. Norton, the Committee voted 4 to 0 to extend the term of Chairman for Mr. Stricker to June 30, 2014.

3. Adjourn Meeting for the Meeting of the OPEB Trust Board

On a motion by Mr. Norton, seconded by Mr. Finger, the meeting was adjourned at 8: 40 A.M. for a meeting of the OPEB Trust Board.

4. Reconvene Meeting at conclusion of OPEB Trust Board

The meeting of the BET Investment Advisory Committee was reconvened at 9:55 A.M.

5. Approve minutes of BET Investment Advisory Committee Meeting of April 12, 2013

Mr. Norton made a motion to approve the April 12, 2013 minutes, seconded by Mr. Finger. The motion passed 4 to 0 in favor.

6. Review actions OPEB Trust Board Meeting

The following actions were taken at the OPEB Trust Board Meeting immediately preceding the Investment Advisory Committee Meeting:

As a result of the currently reported 41% to 59% fixed income to equities asset split, Mr. Stricker asked the other members for input on rebalancing. Mr. Ferdinand suggested increasing the asset allocation to set the equities level at 65%. As a result of extended discussions about the current status of the economy and where the markets may go, the following motions and votes were made:

- Mr. Ferdinand made a motion to increase the equities asset allocation to 65% and reduce the fixed income allocation to 35%, seconded by Mr. Skidmore. The vote passed in favor 3 to 0.

As a result of the aforementioned motion, the following motions were made to increase the equity allocation to 65%:

- Mr. Ferdinand made a motion to invest in SPDR S&P Growth ETF (SPYG), a new position for the Trust, with a target allocation of 5%; to reduce the target allocation in the PIMCO Income Fund from 9.5% to 5%; to reduce the target allocation in the Vanguard International Equity Fund from 7% to 5%. The target allocation to the Vanguard Bond Fund and the Vanguard Domestic Equity Fund would then be adjusted as necessary to result in a 35% debt to 65% equity allocation. The target allocations for the other asset classes were adjusted to reflect the current positions. The motion was seconded by Mr. Skidmore and the vote passed 3 to 0 in favor.

Mr. Norton made a motion to accept the actions of the OPEB Trust Board cited above, seconded by Mr. Finger. The vote passed 4 to 0.

7. Review and Approval of various PIMCO Fund Agreements

Mr. Bedrosian asked Mr. Ramer to give the Investment Committee an update on the actions of the BET Law Committee. Mr. Ramer prefaced his remarks by stating that the Law Committee and the Investment Committee have different roles in the process.

Mr. Mynarski provided the Committee with a variety of materials prepared by the Law Department and New England Pension Consultants (NEPC), that were repeatedly referred to during the meeting.

Mr. Ramer pointed out that the Law Committee had conditioned the approval of the PIMCO products as follows:

- Receipt of a letter containing the recommendation of these investments by NEPC.
- That the Retirement Board review and approve these investments.
- Approval by the BET Investment Advisory Committee
- That a letter be obtained from NEPC confirming that the PIMCO Funds be subject to the limits for the type of investments and percentage amounts according to the apportionments based on composition as set forth in the General Statute relating to insurance companies.

Mr. Ramer reported that the first three conditions mentioned above had been met. He added that the fourth condition had not been met and there was not currently a request in to NEPC to obtain such a letter. As a result of the fourth condition listed above everyone in attendance became engaged in a very extended discussion about the viability of such a requirement and the ability to monitor compliance of such a restriction.

Mr. Bedrosian touted PIMCO as an excellent firm and a good choice for the Retirement Board to invest in.

Mr. Goldrick stated that the process is broken and the applicable section in the Town Charter needs to be changed. There was a general consensus that the Charter does need to be revised to make it more workable for the Retirement Board and the BET to approve such investment choices as the ones proposed in this meeting. Mr. Goldrick then made a motion to only approve two PIMCO funds; the PIMCO Unconstrained Fund and the PIMCO Senior Floating Rate Fund. He reasoned that these were the only two that the Retirement Board had made a commitment in for \$4 million dollars each. Mr. Goldrick further explained that was not willing to preapprove the Retirement Board investing in funds without a commitment. The motion was seconded by Mr. Finger and the vote failed with a vote of 2 to 2; Bedrosian and Norton for and Goldrick and Finger against.

Mr. Finger made a motion to approve all seven (7) of the PIMCO Funds recommended by the Retirement Board, up to \$10 million each and conditioned that the overall investments in the Retirement System be in compliance with the Town Charter. The motion was seconded by Mr. Norton and the vote passed 3 to 1, Mr. Goldrick voting no.

8. Old Business

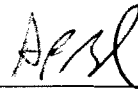
There was no discussion on this agenda item.

9. Discussion of Topics for Future Investment Committee Meetings.

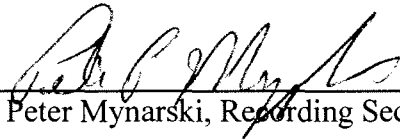
There was no discussion on this agenda item.

10. Adjournment

On a motion by Mr. Norton, seconded by Mr. Finger, the meeting adjourned at 11:35 A.M. on a vote of 4 to 0.



Greg Bedrosian, Investment Committee Chairman



Peter Mynarski, Recording Secretary



TOWN OF GREENWICH

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

**Friday, July 12, 2013
8:30 AM**

**Evaristo Conference Room
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AGENDA

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2. Interview Robert Stricker to serve as Chair OPEB Trust Board for a one-year term to June 30, 2014
3. Adjourn Meeting for the Meeting of the OPEB Trust Board
4. Reconvene Meeting at conclusion of the OPEB Trust Board
5. Approve minutes of the BET Investment Advisory Meeting of April 12, 2013
6. Review Actions of the OPEB Trust Board
7. Review and Approval of various PIMCO Fund Agreements
8. Old Business
9. Discussion of Topics for Future Investment Committee Meetings
10. Adjournment