

1. OPEB Trust Board Meeting Documents

Documents:

[APPROVED_OPEB_TRUST_MEETING_MINUTES_07-18-11.PDF](#)
[OPEB_TRUST_MEETING_AGENDA_07-18-11.PDF](#)

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

OPEB Trust Board Meeting Minutes

8:30 A.M. Monday, July 18, 2011
Parks and Recreation Conference Room
Second Floor, Town Hall

Present:

Trust Board: Robert Stricker, Chairman, Philip Skidmore,
William Ferdinand

BET Attendees: Art Norton, Randall Huffman
Joseph Pellegrino

Attendees: Peter Mynarski, Comptroller and ex-officio member of the
OPEB Trust Board, Kathleen Murphy, OPEB Board Trustee
Joseph Ting, Summer Intern

The meeting was called to order at 8:30 A.M.

1. Review minutes of Trust Board's meeting of April 13, 2011

Mr. Stricker opened the meeting by welcoming Mr. Joseph Ting. Mr. Ting is the current summer intern working for the Finance Department assisting the Treasurer in a variety of cash management and investment opportunity projects.

Mr. Skidmore made a motion to approve the April 13, 2011 minutes, seconded by Mr. Ferdinand. The motion passed 3 to 0 in favor.

2. Review Performance of Trust and Rebalancing

Ms. Murphy distributed the June 2011 monthly OPEB investment performance reports and related materials. Mr. Ferdinand asked about the reporting methodology, whether the returns are on a time weighted versus dollar weighted return. Ms. Murphy stated the reports are on a time weighted method. Mr. Ferdinand offered that he preferred the time weighted method.

Ms. Murphy reported that the fund had to liquidate \$805,000 of assets at year-end to balance with the General Fund. Mr. Ferdinand, upon hearing about the rebalancing exercise performed each year, asked if the Treasurer could prepare a cash flow analysis for the upcoming five-year period.

Ms. Murphy also distributed a “Volatility versus Performance Chart” and it was discussed by the Board and attending Board of Estimate and Taxation members.

3. Status of potential new brokerage accounts at Charles Schwab and at Fidelity Investments

Mr. Norton reported that there was no progress and no follow up responses from the Law Department on this matter.

4. Review of Funds/Assets Allocations and Potential New Funds

There was an extended discussion about the domestic and foreign markets. Given the weak fundamentals, the economic recovery will be slow and the recovery of the Banks may take a long time. Risk levels have risen and the consensus was that it would be prudent to relook at the portfolio’s asset allocation – retrenching a bit.

A Fairholme Funds Inc Summary was distributed to those in attendance and discussed. Fairholme is heavily weighted in the financial services sector which has underperformed the market. Mr. Stricker stated that although the fund only represented about 2.7% of the overall investments, he was concerned with its performance.

Janus Overseas Fund has been underperforming its benchmark and is also over weighted in the financial services sector.

The following actions were taken:

Mr. Ferdinand, seconded by Mr. Skidmore, made a motion to sell the Trust’s position in Fairholme Fund approximately 2.7% of the portfolio and use the proceeds to increase the portfolio’s position in Barclay’s iShares 1 – 3Year Credit (CSJ). The vote passed 3 to 0.

Mr. Skidmore, seconded by Mr. Ferdinand, made a motion to sell the Trust’s position in Janus Overseas Fund approximately 3.3% of the portfolio and use the proceeds to increase the portfolio’s position in Barclays iShares 1 – 3 year Credit (CSJ). The vote passed 3 to 0.

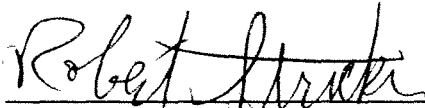
5. New Business: Discussion of topics for future meetings.

At a future meeting there should be a discussion re the Discount Rate the Town is using in the actuarial valuation. The BET Investment Advisory Committee would like the opinion of the Trust board regarding this issue.

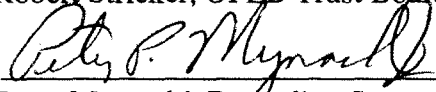
Given the current discount rate of 7.5% alternative investment options that would produce current income (yield) should be considered. Specifically, convertible debt securities and master limited partnerships, which are currently yielding 5% plus, will be reviewed at an upcoming meeting.

6. Adjournment

On a motion by Mr. Skidmore, seconded by Mr. Ferdinand, the Board voted 3 to 0 to adjourn the meeting at 9:55 A. M.



Robert Stricker, OPEB Trust Board Chairman



Peter Mynarski, Recording Secretary



TOWN OF GREENWICH

OPEB TRUST MEETING

**Monday, July 18, 2011
8:30 A.M.**

**Parks and Recreation Conference Room
Second Floor, Town Hall**

AGENDA

1. Approve Minutes of April 13, 2011 Meeting
2. Review Performance of Trust and Rebalancing
3. Status of potential new brokerage accounts at Charles Schwab and at Fidelity Investments
4. Review of Funds/Asset Allocations and potential new funds
5. New Business: Discussion of topics for future meetings
6. Adjournment