

1. Meeting Agenda - August 8

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2. Minutes Subject To Approval - August 8

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[MINUTES SUBJECT TO APPROVAL - 08 08 16.PDF](#)

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TOWN OF GREENWICH

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

**Monday, August 8, 2016
10:30 A.M.**

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

AGENDA

1. Approval of Meeting Minutes of July 6, 2016
2. Review and Approve Actions of the OPEB Trust Board Meeting
3. Old Business – Consideration of BET Procedures for Review of Retirement Board Investment Agreements
4. New Business
5. Adjournment

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

Investment Advisory Committee
Meeting Minutes
Monday, August 8, 2016
Mazza Room, Town Hall

Present:

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

Staff: Peter Mynarski, Comptroller; Melinda Frame, Internal Auditor

Other: Robert Stricker, Chairman, OPEB

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

Approval of Investment Advisory Committee Meeting Minutes of July 6, 2016

Upon a motion by Mr. Norton, seconded by Ms. Moriarty, the Committee voted 4-0 to approve the Meeting Minutes of July 6, 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 up to \$200,000 of the Trust's position in SPDR S&P 500 ETF Trust, (SPY US) and invest the proceeds in Technology Select SECT SPDR (XLK), a current ETF technology holding, to increase the ETF's position from 0.92% to 2% of the portfolio. Rationale: the OPEB holdings are less than the tech percentage held in the S&P.

In the OPEB Board's preceding meeting, the Board voted 3-0 to sell up to \$200,000 of the Trust's position in SPDR S&P 500 ETF Trust, (SPY US) and invest the proceeds in Powershares QQQ Trust Series (QQQ), a current ETF technology holding, to increase the ETF's position from 0.88% to 2% of the portfolio. Rationale: the OPEB holdings are less than the tech percentage held in the S&P.

The Board also voted 3-0 to sell up to \$700,000 of the Trust's position in SPDR S&P 500 ETF Trust, (SPY US) and invest the proceeds in Vanguard Health Care-ADM (VGHAX) to increase the current mutual fund holding's position from 1.79% to 2.5% of the Portfolio. Rationale: the sector has growth characteristics.

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

Old Business - Consideration of a BET Procedure for Retirement Board Investments and Agreements

Ms. Moriarty asked Mr. Drake to comment on the checks and balances in place and whether the Retirement Board had the authority to invest \$1 million in a Fidelity ETF before the BET approved its author to make that category of investments. She further asked how the Treasurer could execute the trade without the Retirement Board receiving the BET authorization. Mr. Drake remarked that IAC had no on-going role after it had approved the Retirement Board's authority and made its recommendation to the BET for their consideration. Next, the Law Committee needed to offer its opinion and the Law Department needed to give its approval of the Retirement Board's authority to invest in ETFs.

Ms. Moriarty asked Mr. Drake to request a Status Report on the legal review approval process. Additionally, she asked if the RFP had been published seeking an Investment Advisor to suggest an ETF allocation for the Retirement Board and if this would be a duplication of fees.

Mr. Mynarski commented that the rationale for the RFP was that Mr. Pellegrino, a member of the Retirement Board, requested professional advice to support the Board's ETF selection process because neither NEPC nor TransAmerica, the two current Retirement Board consultants, had that expertise. He further explained that the \$50,000 which had been encumbered through October to pay Mr. Smoot, the outside legal counsel's fees, would be inadequate to compensate for legal work already done. Since the outside legal counsel fees might require an additional allocation of funding beyond the encumbered amount, the lack of funds to compensate an Investment Advisor made it unlikely that an RFP would be approved by the BET and RTM.

New Business

Mr. Drake agreed with Ms. Moriarty that a Retirement Board update should be on the IAC Agenda for future meetings.

Wednesday, September 7, 2016, was confirmed as the date for the next meeting. It is scheduled for 10:30 A.M. in a meeting room to be determined.

Adjournment

Upon a motion by Mr. Norton, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn at 10:55 A.M.

William Drake, Investment Committee Chairman

Catherine Sidor, Recording Secretary

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BOARD OF ESTIMATE AND TAXATION
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William Drake, Investment Committee Chairman



Catherine Sidor, Recording Secretary