

1. OPEB Trust Board Meeting Documents

Documents:

[APPROVED_OPEB_TRUST_MEETING_MINUTES_09-15-10.PDF](#)
[OPEB_TRUST_MEETING_AGENDA_09-15-10.PDF](#)
[REVISED_OPEB_TRUST_MEETING_AGENDA_09-15-10.PDF](#)

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

OPEB Trust Board Meeting Minutes

8:30 A.M. Wednesday, September 15, 2010
Gisborne Room, First Floor, Town Hall

Present:

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

BET Attendees: William Finger, Art Norton, Randall Huffman

Attendees: Peter Mynarski, Comptroller and ex-officio member of the
OPEB Trust Board, Kathleen Murphy, Treasurer/OPEB Trustee

The meeting was called to order at 8:33 A.M.

1. Review minutes of Trust Board's meeting of July 14, 2010

Mr. Ferdinand made a motion to approve the July 14, 2010 minutes, seconded by Mr. Skidmore. The motion passed 3 to 0 in favor.

2. Review Performance of Trust

Ms. Murphy distributed the August 2010 monthly OPEB investment performance reports and related materials and discussed their contents with OPEB Board members and others in attendance.

Mr. Ferdinand requested that the ticker symbols for the respective investment funds be added to the report and Ms. Murphy agreed to add them.

Mr. Stricker requested that inception dates for each investment be added to the report and Ms. Murphy agreed to add them.

Mr. Skidmore made a motion to accept the August 2010 performance report, seconded by Mr. Ferdinand and the motion passed 3 to 0.

Ms. Murphy asked about delivering quarterly reports to the BET Investment Advisory Committee from the OPEB Trust Board. Mr. Norton stated that the first report is not due until the October 2010 meetings.

3. Review High Yield Funds

Ms. Murphy distributed a series of comparative analytical reports for different sub asset classes of investment alternatives for the OPEB Trust Fund. Ms. Murphy explained that the alternative investment funds were selected on several criteria including, 1) available through Vanguard Brokerage, 2) 5-year performance, 3) Best and worst three months, and 4) Morningstar rating.

The members discussed the benefits of more than one brokerage account (Vanguard). Mr. Ferdinand stated that he preferred having more than one brokerage account. Mr. Norton explained to Mr. Ferdinand that the process is that the BET Investment Advisory Committee recommends to the full BET any recommendations that come from the OPEB Trust Board. Mr. Norton also informed Mr. Ferdinand that any new contracts required for such purposes would need to go through the Law Department for approvals of the contracts for legal sufficiency. The Board concluded that the benefits of other brokerage accounts warrant the recommendation to the IAC to open additional accounts and starting the process.

Mr. Ferdinand made a motion to open up new brokerage accounts at Fidelity Investments/Fidelity Brokerage Services LLC and at Charles Schwab & Co., Inc.. Mr. Skidmore seconded the motion and the motion passed by a vote of 3 to 0.

The Board discussed the high yield investment fund alternatives Mr. Stricker opened the discussion by stating that he recommends the Metropolitan West High Yield Bond Fund (MWHYX) listed on the fixed income alternatives report prepared by Ms. Murphy. The size of the fund (\$1.2 billion made it a serious player in this space.), the length of time the manager had been running the fund (since 2002), and the favorable 5-year performance. Mr. Stricker pointed out that TCW (the Trust company of the West) acquired Metropolitan West (in February 2010).

After further discussions, Mr. Ferdinand made a motion to invest 5% of OPEB's Fixed Income asset class (\$325,000) in the Metropolitan West High Yield Bond Fund. The investment would be funded by a transfer of \$325,000 from the Vanguard Total Bond Fund. The motion was seconded by Mr. Skidmore and the motion passed by a vote of 3 to 0.

4. International Fixed Income

Mr. Stricker suggested that the Board members review and offer a selection from the Fixed Income Alternative, International Bond Funds worksheet. The Board members and BET members in attendance reviewed the options and as a result, Mr. Skidmore made a motion to research the availability of Templeton from a previous worksheet as an option. Templeton Global Bond Fund (TGBAX) was not on the list of funds available through Vanguard; however, its 5 year performance as of July 31, 2010 was superior to PIMCO's. To bring the portfolio into compliance with the investment policy an investment of 10% of the Fixed income asset class policy allocation (or 3.5% of the total portfolio,

\$650,000) should be invested in an International Bond Fund. Mr. Skidmore made a motion to invest \$650,000 in the PIMCO Foreign Bond Unhedged D Fund (PFBDX) if the Templeton Fund was not available. Mr. Ferdinand seconded the motion and it passed on a 3 to 0 vote.

5. Equities

Mr. Stricker opened the discussions by stating that the fund is currently invested up to the target for domestic equities but suggested a review of sub class investment options for the OPEB Trust Fund.

Mr. Skidmore offered that actively managed equity funds usually underperform the indexes. Mr. Skidmore added that the Board should stay with existing equity investments but was opened to a review of any options offered. Ms. Murphy agreed to send the detailed description of Vanguard Total Stock Fund to the members as a baseline for their deliberations.

Mr. Ferdinand distributed a listing of US Equity Index Returns for up to 10 years, as of August 31, 2010. The returns for small capitalization, mid-cap, and large-cap stock indices with growth and value styles were displayed.

After an extended discussion on different equity strategies, Mr. Skidmore offered that he would also distribute analytical materials relative to equity returns. Mr. Stricker requested that all materials be sent to Ms. Murphy for compilation and further distribution.

Mr. Ferdinand also distributed materials regarding the Yacktman Focused Fund, a large cap value stock fund, and discussed its contents with those in attendance.

Mr. Stricker concluded by stating the Board should look at different sub-sectors of the equity market to determine if the OPEB portfolio would benefit by sub-class investments.

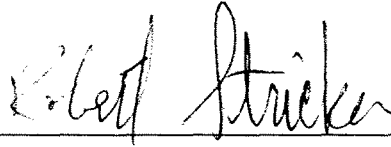
6. New Business: Discussion of topics for future meetings

Mr. Stricker stated that the Board should continue to look at equity alternatives at future meetings and also research emerging markets as an option.

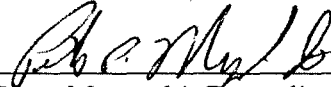
The Board set October 13, 2010, at 8:30 A.M. for the next meeting.

7. **Adjournment**

On a motion by Mr. Skidmore and seconded by Mr. Ferdinand, the Board voted 3 to 0 to adjourn the meeting at 9:40 A. M.



Robert Stricker, OPEB Trust Board Chairman



Peter Mynarski, Recording Secretary

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AGENDA

1. Review Minutes of July 14, 2010 Meeting
2. Review Performance of Trust
3. International Fixed Income
4. Equities
5. New Business: Discussion of topics for future meetings
6. Adjournment

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REVISED AGENDA

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2. Review Performance of Trust
3. Review High Yield Funds
4. International Fixed Income
5. Equities
6. New Business: Discussion of topics for future meetings
7. Adjournment