

1. BET Investment Advisory Comm. Meeting Documents

Documents:

[APPROVED_BET_IAC_MTG_MINUTES_09-19-13.PDF](#)
[BET_IAC_MTG_AGENDA_09-19-13.PDF](#)

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee

MINUTES – Mazza Conference Room
First Floor, Town Hall
8:00 A.M.

Thursday – September 19, 2013

Present:

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

Other Attendants: Peter Mynarski, Comptroller, Laurence Simon,
Retirement Board Member

BET: Members: Leslie Tarkington & Jeff Ramer, BET Law Committee
Representatives

The meeting was called to order at 8:04 A.M.

1. Approval of BET Investment Advisory Minutes of July 12, 2013

On a motion by Mr. Norton, seconded by Mr. Finger, the Committee voted 4 to 0 to approve the July 12, 2013 BET Investment Advisory Committee minutes.

2. Review and approval of Proposed \$10 million investment by the Retirement Board in EIG Fund XVI

Mr. Bedrosian started the discussions by distributing an economic forecast form the Commonfund Institute entitled “Implementation of Thematic Investing/Commonfund Return Forecasts”. A short discussion ensued among the members regarding the forecasts representing Commonfund’s views with respect to the stated assets listed on the document.

Mr. Bedrosian gave a detailed description of the EIG Energy Fund XVI, L.P. Fund for \$10 million as recommended by the Town of Greenwich Retirement Board. Mr. Bedrosian explained that part of the reasoning for investing in the Fund was due to a previous investment in the EIG Energy Fund XV by the Town of Greenwich with a resulting high internal rate of return of approximately 23%, net of fees. Mr. Bedrosian noted that New England Pension Consultants, LLC issued a letter recommending the Town of Greenwich commitment to the EIG Energy Fund XVI.

Mr. Goldrick asked a variety of questions about the EIG Energy Fund and expressed dissatisfaction with the results of the Town of Greenwich Retirement Fund investments over recent years. As a result, Mr. Finger made a motion to invest in the EIG Energy Fund XVI, L.P, for \$10 million, seconded by Mr. Norton. The vote was 3 to 1 in favor. Mr. Goldrick did not vote in favor to invest in the fund. He reiterated his dissatisfaction with results of the Retirement System's investment results over previous years relative to other peer pension plan investment.

3. Review and approval of proposed investment by the Retirement Board in CoreCommunity Fund

Mr. Bedrosian explained the rationale of retaining CoreCommodity Management to be an active commodity manager for the Retirement System. Mr. Bedrosian stated that the Retirement Board wanted to switch from the current passively managed DJ UBS Commodity Index run by State Street Advisors to the actively managed Founders I Fund actively managed by CoreCommodity Management. Mr. Bedrosian recommended investment in the CoreCommodity Management team, who had superior returns to the current investment key to the Dow Jones-UBS Commodity Index. He also informed the Investment Advisory Committee members that New England Pension Consultants issued a letter recommending the Founders I Fund.

Mr. Goldrick expressed dissatisfaction with the Retirement Board for investing in commodities, which have experienced negative returns over recent years. Mr. Simon countered that the reason the Retirement Board got into commodity investments was to have a hedge against inflation. He also stated that this was not an increased investment in commodities. Mr. Simon explained that they simply wanted to switch from passive to active management.

Mr. Norton made a motion to approve the investment of the Founders I Fund managed by CoreCommodity Management, seconded by Mr. Finger. The vote was 3 to 1 in favor. Mr. Goldrick did not vote in favor. He explained that he was not happy with investing in commodities by the Retirement Board and voted accordingly.

4. Review of amendment to Charter Section 208 (a) proposed by the Retirement Board

Mr. Bedrosian explained that the Retirement Board asked to amend Section 208 of the Town Charter. He stated that basically the Retirement Board wanted to remove or lessen the limitations contained within Section 208 that restrict 40% of the Retirement System Funds to the limitations contained in the General Statutes relating to the investment of funds of banks or insurance companies. Mr. Bedrosian stated that these investment limitations in Section 208 were amended by the Retirement Board and Board of Estimate and Taxation under Section 213 in 1982 and 1986. These amendments changed the percentage of the Retirement System funds subject to the bank or insurance company statutory limitation from 75% to the present 40%. Mr. Bedrosian also referenced an opinion from Attorney Eugene McLaughlin Jr. stating that the change would be limited to

25%, otherwise a larger increase change would warrant a Charter change requiring Representative Town Meeting (RTM) approval.

Mr. Norton made a motion to amend Section 208 requiring a minimum of 75% of the Retirement System Funds be subject to the bank or insurance company statutory investment limitations from the previous 60% amount, seconded by Mr. Finger. The motion carried with a vote of 4 to 0 in favor.

5. Old Business

There was no Old Business discussed.

6. Discussion of Topics for Future Investment Committee Meetings.

Mr. Goldrick requested that the Investment Advisory Committee review the current Other Post Employee Benefits (OPEB) Fund Investment Policy Statement. Mr. Goldrick wanted to look specifically at the current asset allocation with an intent to increase the equity allocation. Mr. Bedrosian agreed to include the topic at the next meeting.

7. Adjournment

On a motion by Mr. Finger, seconded by Mr. Norton, the meeting adjourned at 9:46 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**

**Thursday, September 19, 2013
8:00 AM**

**Mazza Conference Room
First Floor, Town Hall**

AGENDA

1. Approval of BET Investment Advisory Minutes of July 12, 2013
2. Review and approval of proposed \$10 million investment by the Retirement Board in EIG Fund XVI
3. Review and approval of proposed investment by the Retirement Board in Core Commodity Fund
4. Review of amendment to Charter Section 208 (a) proposed by the Retirement Board
5. Old Business
6. Discussion of Topics for Future Investment Committee Meetings
7. Adjournment