

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee

MINUTES – Gisborne Room, 1st Floor
9:30 A.M.

Thursday – January 6, 2011

Present:

Committee Members: Arthur D. Norton, Chairman, William R. Finger
Randall Huffman, Joseph Pellegrino

Other Attendants: Peter Mynarski, Comptroller, Kathleen Murphy,
Treasurer

The meeting was called to order at 9: 47 A.M.

1. Approve minutes of BET Investment Advisory Committee Meeting of November 30, 2010

Mr. Pellegrino made a motion to approve the November 30, 2010 minutes, seconded by Mr. Huffman. The motion passed 3 to 0 to 1 in favor. Mr. Finger abstained from voting.

2. Review OPEB Trust Board Advisor Meeting

All of the Investment Advisory Committee members attended the OPEB Trust Board meeting that preceded the Investment Advisory Committee meeting and participated in the conversations. As a result of the actions of the OPEB Trust Board, Mr. Pellegrino made a motion to accept the following recommendations of the Board, seconded by Mr. Huffman:

Mr. Ferdinand made a motion to reduce the fixed income allocation to 25%, seconded by Mr. Skidmore. The motion passed 3 to 0.

Mr. Ferdinand made a motion to increase the allocation in the Met West High Yield Fund to 3.75%, seconded by Mr. Skidmore. The motion passed 3 to 0.

Mr. Ferdinand made a motion to reduce the allocation in the Vanguard Total Bond Index to 10%, seconded by Mr. Skidmore. The motion passed 3 to 0.

Mr. Ferdinand made a motion to increase the allocation in the iShares 1 -3 year Credit Fund to 8.25%, seconded by Mr. Skidmore. The motion passed 3 to 0.

The allocated portion in the PIMCO Foreign Bond will remain at 3.0%.

The aforementioned actions will result in a transfer of 4.6% of funds out of fixed income into equities.

The vote passed 4 to 0.

In addition, Mr. Huffman made a motion to accept the following actions of the OPEB Trust Board, seconded by Mr. Pellegrino:

Mr. Skidmore made a motion to allocate 5% into the SPDR S&P Dividend Exchange Traded Fund (SDY), seconded by Mr. Ferdinand. The motion passed 3 to 0.

Mr. Ferdinand made a motion to allocate 3% into the Fairholme Fund (FAIRX), seconded by Mr. Skidmore. The motion passed 3 to 0.

The previous two actions would be funded from the 4.6% transfer of fixed income funds first and then from the Vanguard Domestic Equity Fund second.

The vote passed 4 to 0.

The Investment Committee agreed to accept the request of the OPEB Trust Board to contact the Town's Law Department, in an attempt to resolve the issue of indemnification clauses in agreements contained in the Charles Schwab and Fidelity Investment contract materials.

3. Discussion with Financial Advisor, Independent Bond and Investment Consultant (IBIC) Bill Lindsay, review of market conditions for the Town of Greenwich Debt Offering January 18, 2011

The Investment Committee members held a teleconference discussion with Bill Lindsay, Independent Bond and Investment Consultants (IBIC), on the upcoming \$30 million five year note and \$33 million bond anticipation note issue. Mr. Lindsay apprised the committee members of current financing with other municipalities and answered a series of questions posed by the members.

4. Review requests from Greenwich Retirement Board for additional Investment positions

- **State Street Global Advisors (SSgA) MSCI EAFE index Security Lending Fund**
- **TCW-EIG Alternative Investment, LLC Energy Fund XV, L.P.**

Mr. John Chadwick, Chairman of the Town of Greenwich Retirement Board, was invited to the meeting and answered a number of questions posed by Committee members. After a discussion period, Mr. Pellegrino made a motion to accept the recommendation to

contract with the State Street Global Advisors (SSgA) MSCI EAFE Index Security Lending Fund, seconded by Mr. Finger. The vote passed 4 to 0.

Another set of discussions ensued relative to a second investment option with TCW-EIG Alternative Investment, LLC Energy Fund XV, L.P. Mr. Norton asked Mr. Chadwick about the cost of capital for the fund. Mr. Chadwick was unable to quantify the costs. Mr. Pellegrino gave a detailed explanation on the goals of the current Retirement Board and expressed his support for this investment position. Mr. Pellegrino also suggested increasing the purposed investment of \$10 million to \$15 million. It was mutually agreed to allow the Retirement Board to examine this option at its next meeting.

As a result of discussions, Mr. Pellegrino made a motion to accept the recommendation of the Retirement Board to contract with the TCW-EIG Alternative Investment, LLC Energy Fund XV, L.P., seconded by Mr. Finger. The vote passed 4 to 0.

5. Review of Tax Collector Receipts Report

Mr. Mynarski passed out the Tax Collector Receipts Report, with activity through December 31, 2010 and discussed its contents which detailed very favorable collection trends relative to previous years. The Committee members concurred and were pleased with the collection trends.

6. Report from Treasurer

- **Cash Flow Analysis**
- **Quarterly Bank Public Depository Statements, Q3, 2010**

Due to the early meeting date of January 6th, Ms. Murphy reported that the December Cash Flow Analysis report was not ready. No further discussion was held on report.

Ms. Murphy distributed the third quarter Quarterly Bank Public Depository Statements report to the Committee and reported that there were no unusual variances to report.

7. 401K RFP Schedule

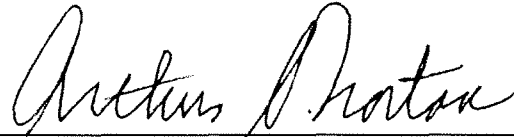
Mr. Mynarski reported that the 401K RFP was due on Friday, January 7, 2011 by 3:00 P.M. and he would report back to the Committee the names of the respondents when available.

8. Discussion of Topics for future Investment Advisory Committee Meetings

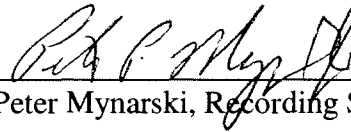
There were no discussions on this topic.

9. Adjournment

On a motion by Mr. Pellegrino, seconded by Mr. Huffman, the meeting adjourned at 11:23 A.M. on a vote of 4 to 0.



Arthur D. Norton, Investment Committee Chairman



Peter Mynarski, Recording Secretary