

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

OPEB Trust Board Meeting Minutes

8:30 A.M. Wednesday, January 18, 2012
Gisborne Conference Room
First Floor, Town Hall

Present:

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

BET Attendees: Art Norton, Greg Bedrosian, William Finger
Sean Goldrick

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

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

1. Approve Minutes of October 24, 2011 Meeting

Mr. Skidmore made a motion to approve the October 24, 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 December 2011 monthly OPEB investment performance reports and related materials. Ms. Murphy reported that the portfolio had a gain for the month of December 2011 of \$40,684, or 0.20%, 46 basis points below its benchmark. Ms. Murphy also reported that as of December 31, each asset class and sub class of the Fund is within 1% of target.

Mr. Ferdinand inquired about the availability of an Exchange Traded Funds (ETF) Index to use as a benchmark for the portfolio's fixed income investments. He suggested that no fund (active or passive) can buy all the securities in the Barclay's Capital U.S. Aggregate Bond Index, and therefore it may be a good idea to see if there would be a better benchmark index for the portfolio. The general consensus was that a comparable index is not available. It was decided that this could be a subject to discuss at a future time.

3. Review of Funds/Asset Allocations and Potential New Funds (DoubleLine Funds)

Mr. Stricker started the conversation with a reference to DoubleLine Capital LP as a potential fixed income investment. Ms. Murphy distributed a Bloomberg press release detailing negative publicity for TCW Group Inc. and Jeffrey Gundlach, its former chief investment officer over a settled lawsuit over Gundlach's firing in 2009 and allegations he stole trade secrets to set up his own firm, DoubleLine Capital LP. Mr. Bedrosian offered that he had looked at DoubleLine Capital LP in his prior capacity with a non-profit he was assisting.

The Board and BET members held an extended discussion regarding materials prepared by Joseph Ting, Winter Intern of a number of current and potential investment opportunities.

Mr. Ferdinand asked about the current actuarial assumptions for the Fund and Mr. Mynarski offered that the OPEB interest rate assumption was 7.75% compared to the current 8.0% assumption for the Town's Retirement Pension Plan. Mr. Stricker and Mr. Skidmore did not feel the current rate of 7.75% was achievable due to likely lower fixed income returns and it was agreed to discuss it at the next meeting in order to make our annual recommendation to the BET Investment Committee.

Mr. Ferdinand asked the group when they feel interest rates would start rising. The general consensus was that interest rates would not increase this year and probably not until the end of 2013.

In concluding the discussions on the review of funds and potential new funds, Mr. Ferdinand made a motion, seconded by Mr. Skidmore, to increase the Yacktman Focused Fund (YAFFX) equity investment from its current holdings of 5% of the total portfolio to 10% of the portfolio. The vote passed 3 to 0 to increase the Yachtman Focused Fund with the resources coming from the Vanguard Domestic Equity Fund (VITSX).

During the discussions about changing the allocations, Mr. Bedrosian inquired about the current policies of the Board. Ms. Murphy provided copies of the current OPEB Trust Allocation Policies to Mr. Bedrosian and Mr. Goldrick, the new members to the Board of Estimate and Taxation.

4. Update: Potential additional brokerage accounts (Fidelity & Charles Schwab)

Ms. Murphy and Mr. Norton gave the Board an update on the potential additional brokerage accounts; Fidelity and Charles Schwab. They lamented that the hang up was due to the indemnification clause existing in the potential contracts and no progress was made.

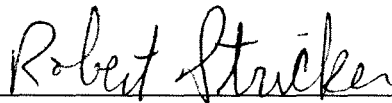
5. New Business: Discussion of topics for future meetings.

The following topics were suggested for future meetings:

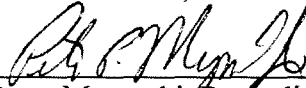
- Review the current OPEB Trust Board Policies to ensure reporting compliance.
- Look for an ETF index benchmark, or other alternatives to Barclay's Aggregate Bond Index.
- Review U.S. government mortgage backed fixed income funds as a potential diversification with higher yields, to include Columbia U.S. Government Mortgage Fund (AUGAX).
- Review the T Rowe Price New Horizons Fund (PRNHX) as a potential equity diversification investment. PRNHX invests in small, emerging growth companies, in the early corporate life cycle.
- Revisit and review DoubleLine Core Fixed Income Fund.
- Set the October meeting date and dates for the re-appointment of members.

6. Adjournment

On a motion by Mr. Ferdinand, seconded by Mr. Skidmore, 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