

TOWN OF GREENWICH

OPEB Trust Board Meeting Minutes

8:30 A.M. Friday, February 7, 2014
Gisborne Conference Room
First Floor, Town Hall

Present:

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

BET Attendees: Bill Drake, John Blankley, Randall Huffman, Art Norton

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

The meeting was called to order at 8:30 A.M.

1. Approval of October 18, 2013 OPEB Trust Board Minutes

Mr. Ferdinand made a motion to approve the October 18, 2013 minutes, seconded by Mr. Stricker. The motion passed 2 to 0 in favor (Mr. Skidmore was absent for the October 18, 2013 meeting, not voting).

2. Review Performance of Trust Portfolio and Rebalancing

Ms. Murphy distributed the January 31, 2014 monthly OPEB Investment Performance report and related materials. Ms. Murphy reported that the portfolio had assets totaling \$22,138,772 at the end of January 31, 2014. Ms. Murphy also reported that the portfolio was down (2.08%) for the month of January, with a loss of \$469,739. The portfolio trailed its benchmark by 50 basis points (bps). Ms. Murphy reported that for the month of January the fixed allocation was up 1.04% trailing the benchmark by 46 bps. In addition the portfolio's equity allocation was down (3.61%) in January, in line with its benchmark.

As of January 31st, the portfolio is weighted 34% to fixed income and 66% to equities. Ms. Murphy also reported equities are further split 85% to domestic equity and 15% to international equities.

3. Review of Funds/Asset Allocations

The Board discussed the performance report, as of January 31, 2014, presented by Ms. Murphy, including the attribution reports. The Treasurer prepared analytical schedules with updated information as of December 31, 2013 on the holdings in each of the asset

classes. The Board discussed the upcoming need for liquidity to reimburse the General Fund in June for claims paid on behalf of OPEB as well as continuing concern as to the impact on emerging markets of the slowing pace of Quantitative Easing by the Federal Reserve. After extended discussion, the Board made the following recommendations to the Investment Advisory Committee (IAC) of the BET:

On a motion by Mr. Ferdinand, seconded by Mr. Skidmore, to sell 100% of the position in iShares Emerging Markets Minimum Volatility (EEMV) and reinvest the proceeds in the Vanguard Total Stock Market Fund (VITSM). The vote carried in favor 3 to 0.

On a motion by Mr. Skidmore, seconded by Mr. Ferdinand, to sell 100% of the position in Vanguard GNMA Fund (VFIJX) and reinvest the proceeds in iShares 1-3 Year Credit (CSJ). The vote carried in favor 3 to 0. Mr. Stricker stated that the portfolio will continue to have a small exposure to emerging markets through its position in the Vanguard's International Fund. 

The Board has requested that the Ms. Murphy prepare an analysis as to how the portfolio is doing vs. a represented peer group. Mr. Mynarski and Ms. Murphy said they will see if the consultant for the Retirement System has a data base that can help in this project. Bloomberg offers results on a number of endowments and public pension plans.

In other action, Mr. Ferdinand made a motion to have the Treasurer replace the MSCI US Broad Market benchmark with the S&P 500 Index benchmark performance reports, seconded by Mr. Skidmore. The vote carried 3 to 0 in favor of the motion.

4. Approve schedule for OPEB meetings for the rest of the year

The Board selected the following OPEB Board meeting dates for the rest of the calendar year:

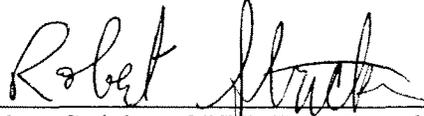
- April 11, 2014
- July 9, 2014
- October 24, 2014

5. New Business: Discussion of topics for future meetings

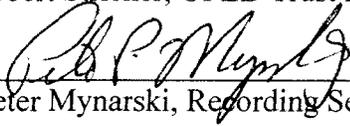
Mr. Mynarski reminded the Board that the OPEB Actuary Report was being prepared and the Board had to make a decision on either maintaining the current assumed investment rate of return at 7.50% or move it to 7.25%. Mr. Mynarski reported that the Retirement Board had approved moving the return assumption for the Retirement Fund to 7.25% recently. After a short discussion, Mr. Skidmore made a motion to reduce the investment rate of return assumption, used in the annual actuary report, from 7.50% to 7.25%, seconded by Mr. Ferdinand. The vote carried 3 to 0 in favor of the motion.

6. Adjournment

On a motion by Mr. Ferdinand, seconded by Mr. Skidmore, the Board voted 3 to 0 to adjourn the meeting at 9:56 A. M.



Robert Stricker, OPEB Trust Board Chairman



Peter Mynarski, Recording Secretary