TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

Investment Advisory Committee
Meeting Minutes
Tuesday, February 10, 2015
Mazza Room
First Floor, Town Hall

Present:
Committee: William Drake, Chairman, Randall Huffman, Art Norton, John Blankley
Staff: Peter Mynarski, Comptroller
Board: Sean Goldrick, Member BET

The meeting was called to order at 8:02 A.M.

1. Approval of the January 8, 2015 Investment Advisory Committee Minutes

Upon a motion by Mr. Norton, seconded by Mr. Blankley, the Committee voted 3-0 (Late: Huffman) to approve the Minutes of January 8, 2015 Investment Advisory Committee meeting.

2. Approval of the BET OPEB Funding Policy

Mr. Drake reviewed the FY16 budget impact of the funding options for the OPEB fund to define a feasible level of contribution. He commented that the amount of the FY14 contribution was $5.8 million made by combining a portion of the OPEB pre-funding established in FY08 with a current operating budget contribution. A balance remained of the FY08 pre-funding ($1.2 million) that would partially fund the ARC in FY15, however the expense to fully fund the ARC would be $6.1 million or an additional $4.9 million. The Committee considered that if only $2.4 million, similar to the previous year’s contribution, was contributed that it represented ARC funding at a level of only 42%.

A discussion followed on funding 70% of the ARC and the suggestion was made that annual funding be increased to 75% in the following year, adding increments of 5% annually until 100% full ARC funding was reached. Mr. Norton asked that the OPEB funding policy be sufficiently flexible as to allow fully funding the ARC if possible, considering that an amount from the yearend fund balance could be transferred.

Language would be drafted for Mr. Mynarski to insert into a “first read” draft of the policy that would be presented to the Budget Committee later in the day.

Upon a motion by Mr. Drake, seconded by Mr. Norton, the Committee voted 3-1 (Opposed: Huffman) to approve the modification and forward their recommendation to the Budget Committee.
3. Approval of the July 1, 2014 OPEB Actuarial Valuation Report and Rate of Return

Mr. Mynarski commented that the Committee needed to vote on the rate of return at either 7.25% or 7%.

Upon a motion by Mr. Norton, seconded by Mr. Drake, the Committee voted 2-2 (Opposed: Blankley, Huffman) Motion failed

4. Approval of the July 1, 2014 Retirement System of the Town of Greenwich Actuarial Valuation Report and Rate of Return

Upon a motion by Mr. Norton, seconded by Mr. Drake, the Committee voted 2-2 (Opposed: Blankley, Huffman) Motion failed

5. Approval of Amendment #4 (2014-2) to the Retirement System Provisions Defining “Spouse”

Upon a motion by Mr. Drake, seconded by Mr. Norton, the Committee voted 4-0 to approve the modification and forward their recommendation to the Budget Committee.

6. Approval of the Pension Funding Policy (Approved by the Retirement Board at its December 18, 2014 Meeting)

The Committee noted that the Policy of funding 100% of the ARC was laid out in TOG’s charter. Mr. Mynarski commented that rating agencies preferred written Debt and Fund Balance Policy.

Upon a motion by Mr. Norton, seconded by Mr. Drake, the Committee voted 4-0 to approve the Pension Funding Policy and forward their recommendation to the Budget Committee.

7. Approval of the Investment Advisory Committee’s Report on the Town of Greenwich Retirement System

Mr. Huffman and Mr. Blankley suggested that they would like to discuss changes to the structure of governance as it related to the retirement policy. Mr. Norton indicated that the suggested change would require a change to the town’s charter and would need to be proposed by the Board of Selectmen.

Upon a motion by Mr. Drake, the Committee voted 4-0 to approve the Report and forward their report to the Budget Committee.

8. Discussion of Topics for Future Investment Committee Meetings

Mr. Drake proposed that proposals to change the structure and governance of the Retirement System could be a future topic.

9. Adjournment
Upon a motion by Mr. Norton, seconded by Mr. Blankley, the meeting adjourned at 9:25 A.M.

William Drake, Investment Committee Chairman

Catherine Sidor, Recording Secretary