

TOWN OF GREENWICH

OPEB Trust Board Meeting Minutes

8:30 A.M. Wednesday, June 13, 2012
Parks and Recreation Conference Room
Second 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

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

1. Approval Minutes of April 11, 2012 Meeting

Mr. Ferdinand made a motion to approve the April 11, 2012 minutes, seconded by Mr. Skidmore. The motion passed 3 to 0 in favor.

2. Review Performance of Trust and Rebalancing

Ms. Murphy distributed the May 2012 monthly OPEB Investment Performance reports and related materials. Ms. Murphy reported that the portfolio had assets totaling \$20,707,397 at the end of May 2012. Ms. Murphy also reported that the Portfolio had a loss for May 2012 of \$909,880, or a negative (4.21%) better than its benchmark by 17 basis points. Ms. Murphy also reported that as of May 31, 2012, the portfolio is over weighted by 1.08% in equities and under weighted in fixed income compared to the current target allocations.

3. Review of Funds/Asset Allocations in light of the planned liquidation of Trust Assets to reimburse the General Fund for claims paid in FY 2012

After an extended discussion and resetting of the asset allocation targets, Mr. Skidmore made a motion to liquidate an amount of the OPEB Trust Fund assets, to be determined by the Treasurer as needed, seconded by Mr. Ferdinand. This liquidation is the annual amount owed to the General Fund. The following asset allocations were reset, where applicable, as follows:

	Old Target	New Target
Vanguard Total Bond Index	6.4%	6.5%
iShares 1 – 3 Year Credit	18.4%	20.0%
Met West High Yield	6.0%	6.0%
PIMCO Foreign Bond	<u>3.0%</u>	<u>3.0%</u>
TOTAL Fixed Income	33.8%	35.5%
Vanguard Domestic Equity	36.0%	36.0%
Yacktman Focused Fund	10.0%	10.0%
SPDR S&P Dividend	5.0%	5.0%
iShares U.S. Preferred Stock	5.0%	5.0%
Vanguard International Equity	6.8%	5.0%
Vanguard Emerging Markets	<u>3.5%</u>	<u>3.5%</u>
TOTAL Equity	66.3%	64.5%

The vote passed 3 to 0 and the amount to be liquidated would be determined by the Treasurer.

4. Review and Approve the proposed changes to the OPEB Investment Policy Statement (IPS)

Item #4 was taken out of sequence to address the Investment Policy Statement (IPS). Subsequent to the previous OPEB Trust Board meeting, Mr. Bedrosian, Mr. Stricker and Ms. Murphy spent time updating and changing the OPEB Investment Policy Statement. The changes were distributed to the members of the OPEB Trust Board and BET Investment Advisory Committee for input. The document was distributed at this meeting for review and approvals. Mr. Ferdinand started the discussions by proposing that the minimums for International – Developed Countries in the Equity and Fixed Income categories be changed to 0%, down from a minimum of 5% in each category. Mr. Ferdinand offered that he was only attempting to offer more flexibility in those investment arenas in the event of catastrophic events that may lock the fund into an unwanted minimum investment.

After an extended discussion it was agreed by all members of the OPEB Trust Board and BET Investment Advisory Committee to accept Mr. Ferdinand’s recommendation. As a result, Mr. Ferdinand made a motion to set minimums in Equity and Fixed Income International investments at 0%, seconded by Mr. Skidmore. The vote passed 3 to 0.

An additional change was made to the “Meetings” section of the IPS. Instead of meeting “in the first 10 business days of the quarter”, the wording was changed to “on or prior to the regularly scheduled BET Meeting for the first month of the quarter”. As a result, Mr. Ferdinand made a motion to accept all of the changes to the IPS highlighted in the documents and changed at the meeting, seconded by Mr. Skidmore. The vote passed 3 to

0. The document will be forwarded to the BET Investment Advisory Committee for their review and acceptance before sending to the full BET for a vote.

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


The Finance Department will be hiring an intern for the summer. Mr. Stricker, Mr. Ferdinand and Ms. Murphy will be working with the intern for potential changes to the current reports to make the asset allocations clearer and to include risk measures and performance attribution.

Ms. Murphy continues to work with the Law Department to allow the OPEB Trust Fund to invest in the Columbia Mortgage Fund.

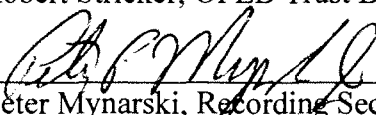
The Board will be reviewing the assumed investment assumption currently at 7.75% at a future meeting, preferably the October 2012 meeting.

6. Adjournment

On a motion by Mr. Ferdinand, seconded by Mr. Skidmore, the Board voted 3 to 0 to adjourn the meeting at 10:20 A. M.



Robert Stricker, OPEB Trust Board Chairman



Peter Mynarski, Recording Secretary