

**TOWN OF GREENWICH
OPEB Trust Board Meeting Minutes**

8:30 A.M. Wednesday, July 6, 2016
Parks & Recreation Conference Room, Second Floor, Town Hall

Present:

Trust Board: Robert Stricker, Chairman; William Ferdinand, Joseph Pellegrino
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BET Attendees: William Drake, John Blankley, Leslie Moriarty, Arthur Norton

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

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

Approval of June 21, 2016 Meeting Minutes

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board
voted 3-0 to approve June 21, 2016 Meeting Minutes.

Review Performance of Trust

Ms. Murphy distributed the June 30, 2016 OPEB Investment Performance reports and related materials. She remarked that the total portfolio value as of June 30 was \$22,985,742 and that the gain for the month was \$21,071. Portfolio was up 0.08% for the month, lagging the benchmark by 62 bps. International Equity performance (down 525 bps) and Technology and Banking sectors overweighting caused the drag on Portfolio returns for the month. She noted that the portfolio's weighting was near the 60%/40% target. The Portfolio was up \$209,000 or 0.91% for the fiscal year ending June 30th.

Ms. Murphy commented that OPEB no longer had access to J.P. Morgan Global bond X US (unhedged). The benchmark was not reflected in the monthly report and the Bloomberg performance report reallocated the 5% weight proportionally between the equity and fixed income benchmarks, distorting the benchmark.

Mr. Pellegrino questioned the accuracy of the relative to benchmark calculations giving as an example, the significant difference between the returns for ETF SPY and the S&P 500 Index benchmark for 1, 3 and 5 year periods. The Board discussed that this may be due to the time of when SPY was initially bought and subsequent trades in the ETF. Ms. Murphy said that she would look into the Bloomberg calculations.

Discussion of market conditions and investment strategy, including sector weightings

The Board discussed the current and possible future impact of Brexit (Britain's withdrawal from the European Union) questioning the possibility of a deeper ripple effect based on the uncertainty in Europe. Mr. Ferdinand was of the opinion that there would be no direct impact on the US and that the odds of a recession were low. It was agreed that the turmoil in European markets caused by unforeseen events would be a short-term psychological issue. Mr. Pellegrino indicated that the international yield curve was not promising, the Chinese currency unstable and that the upcoming US quarterly earnings reports would be important indicators to consider;

he felt the lack of demand in the system due to European Central Banks' Policy could result in negative growth overseas.

The Board considered the benefits of owning International equity and possible alternatives. The possibility of investing in gold or cash was discussed as hedging techniques in light of the uncertainties. Selling international holdings at a loss discouraged the transaction. It was decided to make no changes in the Portfolio at this time.

Discussion of topics for future meetings

- Review of opportunity in financial sector.
- Research the Gold sector for possible future investment vehicle.
- Review TOG's OPEB Fund relative to other retirement funds using data already available through the Actuary rather than requesting it from NEPC.
- Research Utilities, Energy and Materials for higher-yielding opportunity.

Schedule future OPEB Board Meeting Dates

August 8, 2016 – Monday
September 7, 2016 - Wednesday

Actionable Items for IAC

None

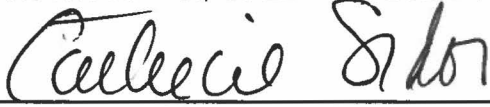
Adjournment

On a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0 to adjourn the meeting at 9:38 A. M.

Next meeting scheduled for August 8, 2016 at 8:30 A.M. in a meeting room to be determined.



Robert Stricker, OPEB Trust Board Chairman



Catherine Sidor, Recording Secretary