

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee

MINUTES – Parks and Recreation Conference Room
12:30 P.M.

Thursday – October 11, 2012

Present:

Committee Members: Gregory Bedrosian, Chairman, Sean Goldrick,
Arthur D. Norton

Other Attendants: Peter Mynarski, Comptroller, Kathleen Murphy,
Treasurer, Robert Stricker, Chairman, OPEB Trust Board,

The meeting was called to order at 1:49 P.M.

1. Approval of June 13, 2012 and August 7, 2012 Investment Advisory Committee minutes

On a motion by Mr. Norton, seconded by Mr. Goldrick, the Committee voted 3 to 0 to approve the June 13, 2012 minutes. Mr. Finger was absent to vote on the June 13, 2012 minutes.

The Committee could not vote to approve the August 7, 2012 minutes. Mr. Finger was absent and Mr. Norton did not attend the August 7, 2012 meeting.

2. Review & Approve Actions of the OPEB Trust Board

At the OPEB Trust Board meeting, previous to this meeting, Ms. Murphy distributed a package of materials on a variety of investment options that included: floating rate loan funds, mortgage backed securities, high yield options, international debt options, and other fixed income aggregate funds.

At the OPEB Trust Board Meeting the following events occurred:

- Mr. Stricker, at the OPEB Trust Board Meeting, pointed out the significant Trust's position and low yields on the iShares 1–3 Year Credit investment and stated he wished to move money away to alternative investments detailed in Ms. Murphy's distributed investment option materials. With the objective of picking up additional yield (current income) without taking on risks associated with longer term fixed income alternatives, the board evaluated funds investing in 1) government backed mortgage securities with an average duration of 3 to 10 years,

2) senior secured floating rate bank loans, and 3) an array of fixed income securities under active management, seeking total return with intermediate effective duration, In addition, alternatives in emerging Market Debt were evaluated and discussed, but there was an element of concern about the levels of risk. There was a lengthy discussion covering subject matters such as: the upcoming elections, the impending fiscal cliff, raising the debt ceiling and the gridlock in Washington.

- Subsequent to these discussions Mr. Ferdinand made a motion to reduce the Vanguard Domestic Equity (VITSX) allocation by 6% and the iShares 1-3 year credit (CSJ) by 9%, seconded by Mr. Skidmore. The vote carried 3 to 0 in favor.
- Mr. Ferdinand made a second motion, to move the reduced amounts into three separate categories as follows: 5% into DoubleLine Total Return Bond Fund (DBLTX), 5% into Vanguard GNMA Fund Investor Shares (VFIIX) and 5% into Credit Suisse Floating Rate High Income Fund Institutional Class (CSHIX), seconded by Mr. Skidmore. The vote carried 3 to 0 in favor. There were other floating rate funds that were considered but they were closed end funds trading at significant premiums and were not chosen.

On a motion by Mr. Norton, seconded by Mr. Goldrick, the Committee voted 3 to 0 to affirm the actions to liquidate the aforementioned investments.

On a motion by Mr. Norton, seconded by Mr. Goldrick, the Committee voted 3 to 0 to affirm the actions to invest the liquidated assets as detailed above.

3. Discuss and Recommend the Actuarial Interest Rate Assumption

The OPEB Trust Members voted 3 to 0 to reduce the actuarial interest rate assumption from 7.75% to 7.25% at their meeting previous to this meeting.

Mr. Norton made a motion to table the item, seconded by Mr. Goldrick. The vote carried 3 to 0.

Mr. Norton made a motion to postpone discussions and actions on this item, seconded by Mr. Goldrick. The vote carried 3 to 0.

4. Approve 2012-2013 Investment Committee Meeting Schedule

This item was deferred until November 13, 2012. The OPEB Trust Board and BET Investment Advisory Committee have scheduled a meeting on that date to take up this and other matters.

5. Update on Indemnity language Issue

This item was discussed at the OPEB Trust Board Meeting with an update that there was no progress being made. It was mentioned that to resolve this issue, a Charter change would be required. There were no further discussions at this meeting.

6. Report from Treasurer

- **Cash Flow Analysis**

Ms. Murphy distributed the cash flow analysis and Treasurer's Report for the period ending September 30, 2012. The documents were reviewed and no actions were taken.

- **Quarterly Public Depository Statements**

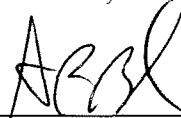
Ms. Murphy distributed the Quarterly Public Depository Statements for the period ended June 30, 2012. The statements were reviewed and no actions were taken.

7. Discussion of Topics for Future Investment Committee Meetings

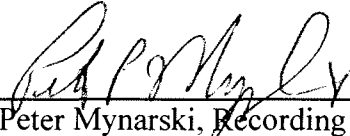
No discussions were held on this issue.

8. Adjournment

On a motion by Mr. Norton, seconded by Mr. Goldrick, the meeting adjourned at 2:13 P.M. on a vote of 4 to 0.



Greg Bedrosian, Investment Advisory Committee Chairman



Peter Mynarski, Recording Secretary