

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

8:30 A.M. Monday, May 2, 2016  
Gisborne Room, First Floor, Town Hall

Present:

Trust Board: William Ferdinand, Joseph Pellegrino  
Absent: Robert Stricker, Chairman

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 Board Trustee,

The meeting was called to order at 8:35 A.M.

**Approval of April 11, 2016 Meeting Minutes**

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 2-0 to approve the April 11, 2016 Meeting Minutes.

**Review Performance of Trust**

Ms. Murphy distributed the April 2016 OPEB Investment Performance report and related materials. She remarked that the total portfolio value of \$22.7 million as of April 30 was a gain for the month of \$142,000. Performance for the month was .66% rate of return, in line with the benchmark. She noted that the portfolio's weighting at month end was 63.4% Equity and 36.6% Fixed Income.

**Discussion of investment strategy, including sector weightings, and review selected funds for consideration (equity and fixed income)**

The Board discussed how the new position in iShares US Preferred Stock (PFF) in the fixed income allocation had improved the month's performance and the overweighting of equities in financials and health care positively impact the month's performance. Mr. Ferdinand reviewed the month's performance in the energy, utilities, telecommunications and materials sectors, and examined the market indexes for the month to compare their rate of return to the over-weighted sectors in the OPEB portfolio.

Mr. Pellegrino suggested rebalancing Equities by 3.4% (\$790,000) to move closer to the Benchmark allocation of 60/40 Equity to Fixed Income investments. Yield was reviewed in Investment alternatives such as Master Limited Partnerships in energy infrastructure and High Yield Bond funds. He proposed increasing holdings in iShares Preferred Stock ETF (PFF) from 3.15% of the portfolio up to 5%.

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0 to rebalance the Portfolio by selling SPY to reduce the Equity holding to 60% of the Portfolio, and investing sale proceeds from SPY into iShares Preferred Stock ETF (PFF) to increase the position target from 3.0% to 5% of the portfolio; the excess of proceeds from the sale of SPY would be invested in Vanguard Short Term Corporate Bond Index (VSCSX).

The Board delegated the timing of executing the changes to Mr. Pellegrino's discretion.

**Discussion topics for future Meetings**

The Board agreed to review High Yield, MLPs and REITs for possible investment vehicles at June's meeting.

**Update on Bloomberg Initiative**

Mr. Pellegrino suggested further customizing the format of the monthly Bloomberg report by adding Calendar and Fiscal Year-to-Date Benchmark performance columns. Ms. Murphy asked for a benchmark for foreign bond investments but it was decided to use Wisdom Tree as the largest global fund in the category. The Board proposed to find ETFs to use as a benchmark for each category of index funds.

**Schedule future OPEB Board Meeting Dates**

June 22, 2016 – Wednesday

**New Business - None**

**Discussion of topics for future meetings**

- Review TOG's OPEB Fund relative to other retirement funds using data already available through the Actuary rather than requesting it from NEPC.
- Review the current hedged fund to consider changing it to a Fixed Income vehicle.
- Review Emerging Markets for an energy opportunity.

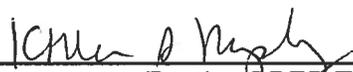
**Actionable Items for IAC**

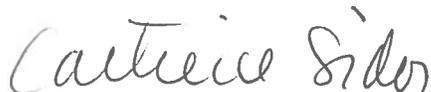
- Approval of the proposal to re-balance the portfolio to 60% equity and 40% fixed income by selling 3.4% (approximately \$790,000) of SPDR S&P 500ETF (SPY) and reinvest the proceeds in iShares US Preferred Stock (PFF) sufficient to bring the position up to 5% of the portfolio, and the balance of the proceeds are to be invested in the Vanguard Short Term Corporate Bond Index Fund (VSCSX).
- Interview candidates for OPEB Board membership and select the FY17 Chairman.

**Adjournment**

On a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted unanimously to adjourn the meeting at 9:58 A. M.

Next meeting scheduled for June 22, 2016 at 8:30 A.M. in a meeting room to be determined.

  
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For the OPEB Trust Board

  
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Catherine Sidor, Recording Secretary