

TOWN OF GREENWICH
OPEB Trust Board Meeting Minutes

8:30 A.M. Monday, March 7, 2016
Gisborne Room, First Floor, Town Hall

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

BET Attendees: John Blankley, William Drake, Leslie Moriarty, Arthur Norton

Staff: Peter Mynarski, Comptroller and ex-officio member of the OPEB Trust Board, Kathleen Murphy, OPEB Board Trustee, Atiya Jones, Human Resource Department

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

Approval of February 2, 2016 Meeting Minutes

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0 to approve February 2, 2016 Meeting Minutes as amended.

Review Performance of Trust

Ms. Murphy distributed the February 2016 OPEB Investment Performance report and related materials. She asked the Board to review the revised Bloomberg reporting format and make additional recommendations for its customization to OPEB's needs. Mr. Pellegrino offered to join Ms. Murphy during an upcoming meeting with the Bloomberg representative to customize the format further.

Ms. Murphy commented on February's market conditions affecting both the Equity and Fixed Income portfolio returns. Performance was behind their benchmarks; the total portfolio decline for February was \$90,000 or -0.45%. She added that the portfolio's weighting was 67.4% Equity and 32.6% Fixed Income. The percentage of each investment sector was reviewed. Mr. Pellegrino proposed that a strategy for each sector be discussed.

The Board discussed how the Bloomberg reports should be reorganized so that funds were grouped according to their sectors, with benchmarks added for each sector. In reviewing the Attribution Report, it recommended that Bloomberg's formatting be questioned so that it was clearer whether the basis of reporting was calendar or fiscal year.

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

The Board reviewed the overweighting in the financial, healthcare and technology sectors and whether setting a dollar range or percentage guideline could be a strategy for making changes in allocations between monthly meetings. Mr. Stricker asked for suggestions on how to approach "between-meeting-changes" within FOI restrictions. Mr. Pellegrino proposed re-balancing the portfolio up to 60%/40% mix (i.e. back to the benchmark) by selling down up to 7% of its position in the S&P 500 Index SPDR (SPY).

The discussion moved on to possible opportunities for investing, and hi-yield bonds or an aggregate bond index were considered. Mr. Ferdinand asked if preferred stocks might also be considered in an EFT.

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted to sell up to the amount of the S&P 500 SPDR (SPY) that would rebalance the portfolio to a 60/40 mix and move the proceeds of the sale into Vanguard Total Bond Fund ((VBTLX). The vote was 3-0 to approve the motion.

Upon a motion by Mr. Stricker, seconded by Mr. Ferdinand, the Board voted to delegate the timing of the transaction to Mr. Pellegrino. The vote was 3-0 to approve the motion.

Update on Bloomberg initiative – reporting, etc.

Discussion of this topic took place under Agenda item #2.

New Business

Mr. Ferdinand suggested that comparison of the OPEB Trust with other pension retirement manager performance needed to be put on the Agenda.

Schedule future OPEB Board Meeting Dates

April 11, 2016 – Monday
May 2, 2016 – Monday
June 22, 2016 - Wednesday

New Business - None

Discussion of topics for future meetings

- Review Preferred Stock funds as investment vehicles
- Review amount of OPEB ARC contribution and the "Due to" owed to the General Fund
- Consider Energy and Hi-Yield Bond sectors for future investing

Adjournment

On a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted unanimously to adjourn the meeting at 10:30 A. M.

Next meeting scheduled for April 11, 2016 at 8:30 A.M. in a meeting room to be determined.



Robert Stricker, OPEB Trust Board Chairman



Catherine Sidor, Recording Secretary