

TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION  
AD-HOC OPEB COMMITTEE MEETING  
And  
OPEB Trust Meeting

MINUTES – Hayton Room, 3<sup>rd</sup> floor, Town Hall

8:30 A.M. Friday, February 1, 2008

Present:

Committee: Robert S. Stone, Chairman, Arthur D. Norton, William R. Finger,  
Larry Simon

Attendees: Peter Mynarski, Comptroller and ex-officio member of the Ad-Hoc  
OPEB Committee, Kathleen Murphy, Treasurer

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

**1. Review minutes of Ad-Hoc Other Post Employment Benefits (OPEB) Committee meeting of 1/10/08.**

On a motion by Mr. Norton, seconded by Mr. Finger, the Ad-Hoc OPEB Committee voted 3-0-1 to approve the January 10, 2008 minutes with Mr. Simon abstaining.

**2. Discuss allocation of the OPEB Trust's investible assets.**

There was consensus that the Treasurer had authority from the BET to immediately alter the equity and fixed income segments of the portfolio to conform with the levels approved at the January 22 Board meeting, and she was requested to take such action.

After a discussion on the allocation of the OPEB Trust's investible assets, Mr. Norton made a motion for the Ad-Hoc OPEB Committee to recommend to the OPEB Board to set the target for investments in equities at 65%, seconded by Mr. Simon.

After a short discussion, Mr. Simon made a motion to amend the original motion to allow a maximum target of 70% allowable invested in equities. The motion failed for lack of a second.

The Ad-Hoc Committee returned their discussion to the original motion and voted 4 to 0 to approve setting a target of 65% in equities for the OPEB Trust Fund.

Continuing the discussion on the OPEB Trust Fund allocation, Mr. Simon made a motion to set the monthly transfer of fixed income assets to equities at \$500,000, unless by doing so it would exceed the approved allocation target in which case assets should be

transferred in a lesser amount to achieve the targeted amount. Mr. Finger seconded the motion and it was approved by a vote of 4 to 0.

Mr. Finger made a motion to recommend to the BET to move the balance of the assets held in the OPEB Reserve Fund to the OPEB Trust Fund, effective February 20, 2008. Mr. Norton seconded the motion and it was approved by a vote of 4 to 0.

The Ad-Hoc OPEB Committee held a discussion regarding the current asset allocation ratio of 80 % domestic and 20% international for the equity portion of the investments in the OPEB Trust Fund. On a motion by Mr. Finger, and seconded by Mr. Norton, it was agreed to retain the current asset allocation ratio of 80/20 in the equity segment of the OPEB Trust Fund by a vote of 4 to 0.

**3. Discuss concept of engagement of financial advisor by the OPEB Trust**

The OPEB Board held a discussion regarding the concept of engaging a financial advisor for the OPEB Trust Fund. The general consensus of the members present was to defer action on this item. On a motion by Mr. Simon, seconded by Mr. Stone, the OPEB Board voted 3 to 0 to defer this item until the next meeting.

**4. Develop process for selection of OPEB Board Members**

The OPEB Board discussed the process necessary to select OPEB Board members. It was concluded, by the OPEB Board, to contact the Selectman's Nominations Advisory Committee (SNAC) to solicit existing resumes on potential candidates who might be qualified and willing to serve on the OPEB Board. In addition, the OPEB Board decided to advise the BET on this approach and to seek further comment from the full BET on the process to find and select future OPEB Board members. The OPEB Board decided to defer action on developing this process until it can gather adequate information from the SNAC and BET.

**5. Discussion concerning, and prioritization of, other topics to be taken up by the Committee and/or Trust, including, but not limited to:**

**a. Recommendation to the BET of the discount rate applicable to earnings by the Trust for Plan Year ending 6/30/08.**

On a motion by Mr. Simon, seconded by Mr. Finger, the OPEB Ad-Hoc Committee recommended that the BET increase the discount rate used for actuarial purposes from 7.0% to 7.75%. The recommendation was approved 4 to 0.

On a further motion by Mr. Norton, seconded by Mr. Finger, the OPEB Ad-Hoc Committee recommended that the previously noted discount rate used be reviewed annually by the OPEB Board. The recommendation was approved by a vote of 4 to 0.

**b. Procedures, including rebalancing, which the Trust will follow.**

On a motion by Mr. Simon, seconded by Mr. Norton, the OPEB Board voted 3 to 0 to rebalance the OPEB Trust Fund to the asset class targets, once a year in July of each year using Fiscal year-ending June 30<sup>th</sup> figures once they are available to complete the necessary accounting entries.

**c. OPEB Actuarial Report, including, data requirements and credits**

On a motion by Mr. Simon, seconded by Mr. Norton, the OPEB Board recommended that the Finance Department be designated as the department responsible for assembling a list of requirements of data necessary to be transmitted to the actuary each year to complete the OPEB annual Actuary Report on a timely and accurate basis. In addition, the Finance Department will be responsible for delegating to the responsible Town and Board of Education parties the duty of collecting the required data necessary to complete the annual OPEB Actuary Report. The Finance Department will have the overall responsibility for managing the process to complete the annual OPEB Actuary Report, in accordance with the requirements to be established. The OPEB Board voted 3 to 0 to institute the aforementioned procedures as an OPEB Trust Fund policy.

The Comptroller agreed to work with Ovation Benefits and the Human Resources Department to document and develop a process to ensure the proper calculation and accounting for “Special Rx Credits”.

**OPEB Standard Plan Document**

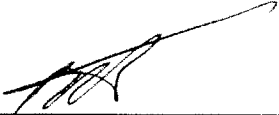
The OPEB Board discussed the development of an OPEB Standard Plan Document. On a motion by Mr. Norton, seconded by Mr. Simon, the OPEB Board will request that the BET support the creation of a Standard Plan Document with the aid of professional assistance. The motion was approved by a vote of 3 to 0. In addition, the OPEB Board will invite Maureen Kast, Director of Human Resources, and John Crary, Town Administrator, to the next OPEB Board meeting to discuss this issue.

**d. OPEB Summary Plan Documentation**

The OPEB Board decided to take this item up at a future meeting.

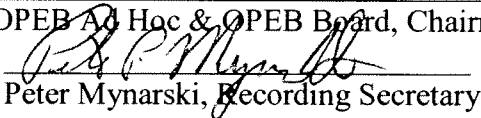
The next meeting was scheduled for Monday March 10, 2008 at 8:30 A.M.

On a motion by Mr. Finger and seconded by Mr. Simon, the meeting adjourned at 10:25 A.M.



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Robert S. Stone, OPEB Ad Hoc & OPEB Board, Chairman



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Peter Mynarski, Recording Secretary