

1. OPEB Trust Board Webinar Agenda 01-13-2022

Documents:

[OPEB TRUST BOARD WEBINAR AGENDA 01-13-2022.PDF](#)

1.I. SUB_TO_APP_OPEB Trust Board Meeting Minutes_12-07-2021

Documents:

[SUB_TO_APP_OPEB TRUST BOARD MEETING MINUTES_12-07-2021.PDF](#)

2. SUB_TO_APP_OPEB Trust Board Meeting Minutes_01-13-2022

Documents:

[SUB_TO_APP_OPEB TRUST BOARD MEETING MINUTES_01-13-2022.PDF](#)

3. APPROVED_BET IAC OPEB Meeting Minutes_01-13-2022

Documents:

[APPROVED_BET IAC MEETING MINUTES_01-13-2022.PDF](#)



TOWN OF GREENWICH

**OPEB TRUST BOARD
WEBINAR**

**Thursday, January 13, 2022
8:30 A.M.**

AGENDA

Join Zoom Webinar:

<https://greenwichct.zoom.us/j/85769504706?pwd=S3ZHQzFIK3VDMEFpbzgrdFNlalphUT09>

Password: 3139077

Dial: +1 646 518 9805 or 877 853 5257 (Toll Free)

Webinar ID: 857 6950 4706

Password: 3139077

1. Approval of the OPEB Trust Board Meeting Minutes of December 7, 2021
2. Review the Trust's performance and asset allocation as of the end of December 2021
3. Update on the OCIO services for the OPEB Trust Fund and discussion of investment strategy and target asset allocation
4. Discussion of topics for future meetings
5. Adjournment

Next OPEB Board Meeting is on Thursday, April 7, 2022 at 8:30 A.M. Meeting format and/or location TBD.

The Town complies with all applicable federal and state laws regarding non-discrimination, equal opportunity, affirmative action, and providing reasonable accommodations for persons with disabilities. If you require an accommodation to participate, please contact the Commissioner of Human Services at 203-622-3800 or demetria.nelson@greenwichct.org as soon as possible in advance of the event.

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

OPEB Trust Board Meeting Minutes

Tuesday, December 7, 2021
Human Services Conference Room

Present:

Trust Board: Co-Chairmen: William Ferdinand, Joseph Pellegrino

Staff: Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller, and ex-officio member of the OPEB Trust Board; Nataliya Yemets, Treasurer and OPEB Board Trustee

BET Attendees: Andy Duus, Miriam Kreuzer, David Weisbrod

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

1. Approval of the OPEB Trust Meeting Minutes

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0-0 to approve the Minutes of the OPEB Trust Board Meeting held on October 14, 2021. Motion carried.

2. Review the Trust's performance and asset allocation as of the end of November 2021

Ms. Yemets provided an overview of the market activity in November 2021, commenting that the S&P 500 lost 69 bps and international stocks were down 4.65%.

The OPEB Trust Portfolio lost 0.98% or \$449,848 in November and ended the month with a market value of \$45,418,527. The Portfolio's fiscal year-to-date gain was 3.5% or \$1.6 million. On November 30th, 61.3% of the Portfolio was in domestic equities, 8.7% in international equities, and 30.0% in domestic fixed income and cash. All allocations were close to targets and within Policy guidelines.

3. Discussion of market conditions, investment strategy and target asset allocation

Mr. Pellegrino suggested that there were opportunities to invest in energy due to the growing carbon issue, and real estate REITS due to anticipated yield going forward. He proposed selling 100% of international and emerging markets holdings and staying with the U.S. equities only. Mr. Ferdinand expressed the opinion that earnings would slow down in the coming year as federal interest rates increase. He noted his opinion that OPEB can't make gains while holding an allocation in international markets and agreed that it should be trimmed at least by half. The IAC members present concurred with the OPEB Board that the equity portion of the portfolio should be increased to 75%-80%.

Mr. Pellegrino made a motion, seconded by Mr. Ferdinand, to sell the entire position in the PIMCO Income Fund (PIMIX), reduce the allocation to the Vanguard FTSE All World ex-US ETF (VEU) to 5% of the Portfolio, buy SPDR S&P 500 ETF to increase domestic equity holdings to 75% of the

Portfolio and increase the position in the PIMCO Enhanced Short Maturity Active ETF (MINT) to 20% of the Portfolio. The Trust Board voted 2-0-0. Motion carried.

4. Scheduling of Board meetings in calendar year 2022

Mr. Pellegrino suggested that the OPEB Board meeting dates mirror the Investment Advisory Committee calendar, and schedule the meetings on the following dates:

January 13, 2022 (Thursday)
April 7, 2022 (Thursday)
July 14, 2022 (Thursday)
October 13, 2022 (Thursday)

5. Discussion of topics for future meetings

- Continue search to fill vacancy on the OPEB Trust Board

6. Adjournment

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0-0 to adjourn the meeting at 9:45 A.M.

Next OPEB meeting is scheduled for Thursday, January 13, 2022 at 8:30 A.M.

Catherine Sidor, Recording Secretary

William Ferdinand, Co-Chair, OPEB Trust

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

OPEB Trust Board Meeting Minutes

Thursday, January 13, 2022

Webinar

Present:

Trust Board: Co-Chairmen: William Ferdinand, Joseph Pellegrino

Staff: Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller, and ex-officio member of the OPEB Trust Board; Nataliya Yemets, Treasurer and OPEB Trustee

BET Attendees: Dan Ozizmir, BET Chairman; Nisha Arora, Michael Basham, William Drake, Miriam Kreuzer, Leslie Moriarty, David Weisbrod

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

1. Approval of the OPEB Trust Board Meeting Minutes

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0-0 to approve the Minutes of the OPEB Trust Board Meeting held on December 7, 2021. Motion carried.

2. Review the Trust's performance and asset allocation as of the end of December 2021

Ms. Yemets provided an overview of market activity through the end of December 2021 commenting that the S&P 500 returned 4.48%. Large Cap stocks outperformed Small Cap; Value stocks did better than Growth in December. One-year returns were positive double digits except for emerging markets which lost 2.54%.

The OPEB Trust Portfolio gained \$1.4 million in December and ended the month with a market value of \$46,861,232. Fiscal year-to-date gain was \$3.1 million. On December 31, Portfolio allocations were the following: 75.2% in domestic equities, 5.0% in international equities, and 19.8% in U.S. short-term fixed income and cash. All allocations were close to targets and within the policy guidelines. The OPEB Portfolio return in December was 3.45%, its fiscal year-to-date return was 7.07%. One-year and longer-term returns exceeded the actuarial assumption of 6.75%.

3. Update on the OCIO services for the OPEB Trust Fund and discussion of investment strategy and target asset allocation

Mr. Pellegrino welcomed Vanguard's OCIO team that included Brian Binkley, Senior Investment Consultant, and Brian Scott, Senior Investment Analyst. Mr. Binkley reviewed investment principles that guide how Vanguard thinks about asset allocation, including investor goals, balance/diversification, lowering cost and being disciplined about following the strategic asset allocation and rebalancing. Then he analyzed the OPEB Trust Portfolio current allocations and made the following recommendations: (1) broaden equity exposure beyond large cap bias, (2) increase exposure to international equities as Vanguard forecasts higher

returns from international equities than US equities in the next 10-15 years due to valuation differences, (3) take exposure to the broad fixed income market represented by the Bloomberg US Aggregate index in order to match the duration of the fixed income portfolio to the market, and (4) replace current funds with cheaper substitutes. Vanguard would monitor the Portfolio on a daily basis and rebalance as needed. Mr. Binkley took the Board's questions and explained Vanguard's preference for the strategic allocation over tactical allocation shifts. He also shared Vanguard's capital market forecast and asset class 10-year return projections with the Board and discussed active versus passive investment management approaches.

It was suggested that after the transfer of assets from current portfolio to the new Vanguard account was completed, the OCIO would review and propose changes to OPEB's Investment Policy Statement to the Board and the Investment Advisory Committee at a future meeting.

4. Discussion of topics for future meetings

- Continue the search to fill vacancy on the OPEB Trust Board.

5. Adjournment

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0-0 to adjourn the meeting at 9:47 A.M.

Next OPEB meeting date and location to be determined.

Catherine Sidor, Recording Secretary

Joseph Pellegrino, Co-Chair, OPEB Trust



**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

Investment Advisory Committee Meeting Minutes

Thursday, January 13, 2022

Webinar

Present:

Committee: William Drake, Chairman; Michael Basham, Miriam Kreuzer, David Weisbrod

Staff: Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller; Nataliya Yemets, Treasurer

BET: Jeffrey S. Ramer

The meeting was called to order at 10:01 A.M.

1. Approval of the BET Investment Advisory Committee (IAC) Meeting Minutes

Upon a motion by Ms. Kreuzer, seconded by Mr. Basham, to accept the Minutes of the Regular Meeting of the Investment Advisory Committee held on December 7, 2021. the Committee voted 4-0-0. Motion carried.

2. Update on the OCIO services for the OPEB Trust Fund

Ms. Kreuzer summarized the items reviewed at the preceding meeting of the OPEB Board: the OCIO documents had been signed with the Vanguard Institutional Advisory Service and introductions of the members of the dedicated investment consulting team assigned to the Town of Greenwich were made (Brian Binkley, Senior Investment Consultant; and Brian Scott, Senior Investment Analyst). Mr. Binkley made a presentation that included a brief overview of the firm and services they provide, Vanguard's recommendations for the OPEB Trust Portfolio asset allocation changes; discussion of the current IPS guidelines, planning of transferring OPEB Portfolio assets from the current brokerage account to a newly established institutional account at Vanguard; and the OCIO's first official Vanguard's report.

Ms. Yemets commented that Vanguard was encouraged to propose changes to the OPEB Trust's current Investment Policy Statement (IPS) to be reviewed by the IAC.

3. Review of Treasury Reports:

- **Town's cash position and invested cash allocations as of December 31, 2021**

On December 31, 2021, the General Fund cash balance was \$156,514,381; the appreciation generated during the month was \$23,247. The overall Town cash position, excluding the Retirement Fund but including the OPEB Trust, was \$261,762,904. Allocations of cash deposits among three banks had rates of return between 0.05% to 0.12%; the CT STIF allocation earned 0.10%; and, \$21 million invested in CDs earned 0.95% (annualized). As of 12/31/2021, 39.1% of the General Fund's deposits were with TD Bank, 18.2% with JP Morgan Chase, 12.5% with Webster Bank, 16.7% was invested in CT STIF, and 13.5% was invested in CDs.

- **General Fund monthly cash flows; actual for December 2022 and projected for the remainder of FY2022**

Ms. Yemets commented that in December, the Town saw strong earnings from Tax collection of \$41.6 million but interest income was low at \$23.2 thousand. The General Fund total cash inflows in December were \$46.7 million and total outflows were \$36.5 million, for the net cash inflow of \$10.1 million.

The Committee reviewed CD holdings and noted that amount of each separate CD was under the FDIC insurance limit of \$250,000. It was suggested that in light of potential future rate increases by the Fed, maturities of the CDs purchased prior to the rate hikes should be made shorter.

4. Old Business - none

5. New Business – none

6. Adjournment

Upon a motion by Mr. Weisbrod, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisory Committee at 10:31 A.M, the Committee voted 4-0-0. Motion carried.



Catherine Sidor, Recording Secretary



Bill Drake, Chairman, Investment Advisory Cmte