1. OPEB Meeting Agenda
   Documents:
   OPEB_MEETING_AGENDA_04-07-20.PDF

2. OPEB Virtual Meeting Packet
   Documents:
   OPEB_VIRTUAL_MEETING_PACKET_04-07-20.PDF

3. SUB TO APP OPEB Trust Board Meeting Minutes
   Documents:
   SUB_TO_APP_OPEB_MEETING_MINUTES_04-07-20.PDF

4. APPROVED OPEB Trust Board Virtual Meeting Minutes
   Documents:
   APPROVED_OPEB_VIRTUAL_MEETING_MINUTES_04-07-20.PDF
TOWN OF GREENWICH
OPEB TRUST BOARD VIRTUAL MEETING
Tuesday, April 7, 2020 - 8:00 A.M.

AGENDA

You are invited to a Zoom Meeting
https://zoom.us/j/606009258?pwd=a1BFRjBQWXpVUjhhNiZUQnQ3OEFDdz09
Meeting ID: 606 009 258
Password: 701521

One tap mobile: +16465189805,,606009258# US
Dial by your location: +1 646 518 9805 US
Meeting ID: 606 009 258
Password: 701521

1. Approval of the OPEB Trust Meeting Minutes of March 12, 2020

2. Review performance of Trust as of the end of March 2020

3. Discuss and approve the OPEB Trust Board annual report for the Investment Advisory Committee

4. Review the Investment Policy Statement

5. Discuss market conditions and investment strategy, including
   - asset allocation
   - passively and actively managed high yield credit funds
   - low cost emerging market index ETFs

6. Discussion of topics for future meetings

7. Adjournment

Next Meeting Thursday, May 7, 2020 at 8:30 A.M. in the Mazza Room, 1st Floor.

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 alan.barry@greenwichct.org as soon as possible in advance of the event.
TOWN OF GREENWICH

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TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

OPEB Trust Board Meeting Minutes
Thursday, March 12, 2020
Mazza Conference Room, 1st Floor, Town Hall

Present:

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

BET Attendees: Andreas Duus, Miriam Kreuzer, David Weisbrod

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

The meeting was called to order at 8:31 A.M.

1. Approval of the OPEB Trust Meeting Minutes

   Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0-0 to accept the Minutes of the OPEB Trust Board Meeting held on February 11, 2020. Motion carried.

   Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 2-0-1 (Abstain: Stricker) to accept the Minutes of the OPEB Trust Board Special Meeting held on March 4, 2020. Motion carried.

2. Review performance of Trust as of the end of February 2020

   Ms. Yemets began with reviewing Callan’s quarterly report as of 12/31/19 that provides comparative performance of various Callan Database Groups. She compared the OPEB Trust asset allocation to average asset allocations of Callan’s Public Database and Small Plans (less than $100 million in assets) Database. She also compared OPEB Trust performance (net of fees) versus Callan’s Public Small Plans and All Small Plans Databases (gross of fees).

   Ms. Yemets provided an update on the major market indices performance in February: S&P 500 Index declined 8.23%, the MSCI All Country World ex US Index lost 7.90%, and Bloomberg Barclays U.S. Aggregate Bond Index gained 1.80%. The worst performing sectors in February were Energy (-14.56%) and Financials (-11.19%). Large Cap Growth performed better than any other US Equities; Small Cap Value was the worst performer with the return of -9.72%. One-year returns were mixed, ranging from a positive return of 15.11% for LCG to -9.29% for SCV.

   Focusing on the OPEB Trust Rebalancing Analysis, two handouts were distributed: one reflected 2/29/2020 balances, and the second reflected 3/10/2020 balances that captured the trades executed as a result of decisions made at the special meeting on 3/4/2020. Ms. Yemets reported that during February, the Trust lost $1,669,888 or 4.99% and ended the month with the balance of $31,860,381 before Operating Cash. The Portfolio lost $778,550 during the first ten days of March, reversing fiscal year-to-date gains into losses of $638,009. The Portfolio asset allocation as of 3/10/2020 was as follows: 57.2% in domestic equities,
9.6% in international equities, 33.2% in U.S. fixed income and cash. All allocations were close to targets set at the special meeting on 3/4/2020 and within the Policy guidelines.

In February, the OPEB Trust dropped 4.99%, falling below the Portfolio’s blended benchmark. Domestic Equities slightly outperformed S&P 500 Index, International Equities declined 4.79%, but beat the benchmark by 311 bps, Domestic Fixed Income lost 0.13% – while it was the best absolute performance, the segment underperformed its index by 193 bps. The Total Portfolio declined another 2.41% in the first 10 days of March 2020.

3. **Discuss market conditions and investment strategy, including asset allocation**

   Mr. Stricker commented that the markets appeared to be in “panic mode” with total disconnect between treasuries, equities and gold. Mr. Pellegrino noted that funds were being moved into cash in preparation to be invested back into equities. The Board contemplated the length of time it would take for the markets to recover and the level of damage caused by the coronavirus crisis to the economy. Concern was expressed about the influence of geopolitics, the damage to the travel industry, the oil price war and lack of activity in bank lending on the market. The discussion shifted to the Portfolio’s asset allocation and developing a strategy for taking advantage of dollar cost averaging. It was suggested that the Portfolio equity allocation should be raised at this time.

   Mr. Pellegrino made a motion, seconded by Mr. Ferdinand, to sell U.S. Treasuries and invest the proceeds in SPDR S&P 500 ETF Trust (SPY) in a sufficient amount to increase the OPEB Trust Portfolio total equity position to 70%. The Board voted 3-0-0. Motion carried.

4. **Review low cost emerging market index ETFs**

   Topic was not discussed due to time constraints.

5. **Discuss and approve the OPEB Trust Board annual report for the Investment Advisory Committee**

   A draft of the Board’s annual report to the BET was circulated but not discussed due to time constraints. It will be a topic for discussion at the next OPEB Trust Board meeting.

6. **Discussion of topics for future Meetings**

   - OPEB Trust Board annual report to the IAC
   - Annual review of the Investment Policy Statement

7. **Adjournment**

   Upon a motion by Mr. Stricker, seconded by Mr. Pellegrino, the Board voted 3-0-0 to adjourn the meeting at 10:03 A.M.

Next OPEB meeting is scheduled for April 7, 2020 at 8:30 A.M. in the Human Services Conference Room, 3rd Floor. (The meeting time was subsequently changed to 8:00 A.M. and the meeting site was changed to Zoom).
Schedule of OPEB Trust Board Meetings for calendar year 2020 at 8:30 A.M.

April 7, 2020 (Tuesday) – Human Services Conference Room, 3rd Floor (The meeting time was subsequently changed to 8:00 A.M. and the meeting site was changed to Zoom)
May 7, 2020 (Thursday) – Mazza Conference Room, 1st Floor
June 11, 2020 (Thursday) – Mazza Conference Room, 1st Floor
July 16, 2020 (Thursday) – Mazza Conference Room, 1st Floor
August (no meeting)
September 17, 2020 (Thursday) – Mazza Conference Room, 1st Floor
October 15, 2020 (Thursday) – Mazza Conference Room, 1st Floor
November 10, 2020 (Tuesday) – Human Services Conference Room, 3rd Floor
December 8, 2020 (Tuesday) – Mazza Conference Room, 1st Floor
TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

OPEB Trust Board Meeting Minutes
Tuesday, April 7, 2020
Zoom Virtual Meeting

Present:

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

BET Attendees: William Drake, Andreas Duus, Laura Erickson, Miriam Kreuzer, Michael Mason, Leslie Moriarty, David Weisbrod

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

The meeting was called to order at 8:04 A.M.

1. Approval of the OPEB Meeting Minutes

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0-0 to approve the Minutes of the OPEB Trust Board Meeting held on March 12, 2020. Motion carried.

2. Review performance of Trust as of the end of March 2020

Ms. Yemets reported that all equity indices had negative performance, with the S&P 500 Index declining 12.35% in March and 19.60% for the calendar year-to-date (CYTD) period, the MSCI All Country World ex US Index losing 14.48% for the month and 23.36% for CYTD, and the Bloomberg Barclays US Aggregate Bond Index shedding 59 bps in March, however, still generating a positive return of 3.15% for CYTD. The worst performing sectors in March were Energy -34.80%, Financials -21.31%, and Industrials -19.18%. US Small Cap Value equity was the worst performer in March with a return of -24.67%. One-year returns ranged from -29.64% (SCV) to 0.91% (LCG). US equities one-year returns were better than those generated by international equities, emerging markets experienced the worst performance.

In March, the OPEB Trust Portfolio lost $3.4 million, or 10.08%, and ended the month with a market value of $28,501,390 before operating cash. Fiscal year-to-date (FYTD) Portfolio losses were approximately $3.2 million or 9.85%. At the Board’s March 12 meeting, the target allocation to equities was raised to 70% by selling US Treasuries and adding to the SPDR S&P 500 ETF (SPY) position. On 3/31/2020 the Portfolio had the following asset allocations: 61.9% in domestic equities, 9.1% in international equities, 29.0% in domestic fixed income which includes cash.

3. Discuss and approve the OPEB Trust Board annual report for the Investment Advisory Committee

Mr. Stricker presented a draft of the OPEB Board’s Annual Report for discussion, and responded to IAC members’ questions about the ten-year expected returns and inflation...
assumptions included in the report. Mr. Stricker commented that without active management and aggressive equity allocation, it would be difficult to generate the actuarial assumed return of 7% (annualized). He suggested that in order for the Board to be able to operate efficiently and add value in extremely volatile markets, the OPEB decision making framework needs to be more flexible.


Mr. Stricker explained the OPEB Board’s recommended changes to the IPS, including asset allocation guidelines, benchmark weightings, timing for rebalancing the portfolio, and a proposal for more flexibility in OPEB Board’s decisions approval process. The discussion continued about the need for flexibility to capitalize on market volatility, active versus passive investment approach, frequency of OPEB Board meetings. Concern was expressed about a possible new recession, the length of time market recovery will require, and the possibility of inflation based on the infusion of federal stimulus into the economy. Mr. Duus proposed treating the Report as a “first read” to be further discussed at the IAC meeting and at the next OPEB Board meeting.

5. **Discuss market conditions and investment strategy, including**

- **Asset Allocation** – A comparison of earnings declines during the Great Depression, the 1973 recession, and current market was reviewed. It was agreed that in each of the three cases, estimates for the lowest point of the decline were hard to predict. The Board’s consensus was that it was not possible to know if the market had reached its lowest point or when it would bounce back. A discussion of whether to raise the Portfolio’s equity position to 75% or 80% followed.

  Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0-1 (Opposed: Stricker) to increase the Portfolio’s equity allocation first to 72.5% and then to 75.0% by selling a sufficient amount of U.S. Treasury Bills and investing the proceeds in SPDR S&P 500 ETF (SPY). The trades to be executed on two separate days when the S&P 500 Index declines 2% or more from prior day close to 2:00 PM of current day. Motion carried.

- **Passively and actively managed high yield credit funds** – Topic was not discussed due to time constraints.

- **Low cost emerging market index ETFs** – Topic was not discussed due to time constraints.

6. **Discussion of topics for future Meetings**

Topics were not proposed due to time constraints.

7. **Adjournment**

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 2-0-0 to adjourn the meeting at 9:15 A.M.

Next OPEB meeting is scheduled for Thursday, May 7, 2020 either in Town Hall, Mazza Conference Room, 1st Floor or as a Zoom virtual meeting.
Schedule of OPEB Trust Board Meetings for calendar year 2020 at 8:30 A.M.

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SUBJECT TO APPROVAL
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