

1. OPEB Trust Board Webinar Agenda

Documents:

[OPEB\\_TRUST\\_BOARD\\_WEBINAR\\_AGENDA\\_06-11-20.PDF](#)

2. SUB TO APP OPEB Trust Board Webinar Minutes

Documents:

[SUB\\_TO\\_APP\\_OPEB\\_WEBINAR\\_MINUTES\\_06-11-20.PDF](#)

3. APPROVED OPEB Webinar Minutes

Documents:

[APPROVED\\_OPEB\\_WEBINAR\\_MINUTES\\_06-11-20.PDF](#)



**TOWN OF GREENWICH**

**OPEB TRUST BOARD  
WEBINAR**

**Thursday, June 11, 2020  
8:30 A.M.**

**AGENDA**

You are invited to a Zoom Webinar

<https://greenwichct.zoom.us/j/93292209173?pwd=eXdkeERQdkVmODFFdU1BajBJSnVzd09>

Password: 2392771

iPhone one-tap: +16465189805,,93292209173#,,1#,2392771# US

Dial (for higher quality, dial a number based on your current location): +1 646 518 9805

Webinar ID: 932 9220 9173

Password: 2392771

1. Approval of the OPEB Trust Meeting Minutes of May 7, 2020
2. Review performance of Trust as of the end of May 2020, including the rebalancing trades during the month and the resulting asset allocation percentages
3. Discuss market conditions and investment strategy, including asset allocation
4. Review performance of the PIMCO Income Fund
5. Recommend reappointing Mr. Robert Stricker to the position of Chairman of the OPEB Trust Board and Mr. William Ferdinand for another three-year term on the OPEB Trust Board
6. Discussion of topics for future meetings
7. Adjournment

Next Meeting Thursday, July 16, 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](mailto:alan.barry@greenwichct.org) as soon as possible in advance of the event.*

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

**OPEB Trust Board Meeting Minutes**

Thursday, June 11, 2020

Virtual Webinar

Present:

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

BET Attendees: Andreas Duus, Laura Erickson, 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 Board Trustee

The meeting was called to order at 8:30 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 approve the Minutes of the OPEB Trust Board Meeting held on May 7, 2020. Motion carried.

**2. Review performance of Trust as of the end of May 2020, including the rebalancing trades during the month and the resulting asset allocation percentages**

Ms. Yemets reported that equities posted positive returns in May. The S&P 500 Index rose 4.76% and MSCI All Country World ex US Index advanced 3.27%. The Bloomberg Barclays U.S. Aggregate Bond Index returned 0.47% in May. US Small and Mid-Cap Growth equities gains were about 10%, while emerging markets returned less than one percent during the month. One-year returns ranged from -14.69% for US Small Cap Value to 26.25% for US Large Cap Growth. US equities one-year returns were much stronger than those of international or emerging markets.

Moving to the Rebalancing Analysis, Ms. Yemets remarked that at their May 7, 2020 meeting, the Board voted to sell 100% of the Portfolio's international and emerging markets positions and invest the proceeds in SPDR S&P 500 ETF (SPY). As a result of this rebalancing and market movements, the ending allocations of the Trust Portfolio on 5/31/2020 were as follows: 76.1% in domestic equities (SPY); 23.9% in fixed income, of which approximately two thirds is in PIMCO Income Fund (PIMIX) and the rest is in U.S. Treasuries and cash.

In May, the Portfolio gained \$1.3 million and ended the month with a total of \$32,469,500 before operating cash. Fiscal year-to-date gain is \$749,661. The Portfolio's total return for the month was 4.08%, 115 bps ahead of its blended benchmark, domestic equities advanced 4.76%, in line with the benchmark; international equities, for the days prior to the trade, lost 1.44%; domestic fixed income gained 1.73%, 126 bps ahead of U.S. Aggregate.

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

The OPEB Trust Board discussed factors that were influencing the current market and offered their perspective on how to position the Portfolio. It was discussed that, considering the current rate environment, equities would offer more value than fixed income; however, would also increase the amount of risk assumed by the Portfolio. Mr. Stricker advised that capital preservation in such volatile markets is more important than return on capital, therefore increasing equity allocation would not be prudent, on the contrary, a slight reduction in equities was necessary to decrease the risk exposure. He proposed to cut equities by 10% and move proceeds into the federal money market fund. Mr. Pellegrino disagreed, suggesting that neither cash nor fixed income could generate returns sufficient enough for the Portfolio to meet the actuarial assumption of 7%. He suggested that a better strategy would be to find good investments and stay with them, agnostic to market moves. In his view, in order to beat the benchmark, the Portfolio should have an allocation close to 80% equities / 20% fixed income and cash. Mr. Ferdinand reminded how extreme the capital markets environment was: interest rates being lowest in history, huge amounts of debt potentially leading to tax increases, uncertainty about the shape of economic recovery, etc. With this amount of uncertainty in the economy, he could not support increasing equity position and leaned toward the idea that capital preservation should be the main focus. He supported the view that equities exposure should either stay unchanged or be slightly reduced.

Upon a motion by Mr. Stricker, seconded by Mr. Ferdinand, the OPEB Trust Board voted 2-1-0 (Opposed: Pellegrino) to reduce equity holdings by 5% of the Portfolio, by selling the SPDR S&P 500 ETF (SPY) and moving the proceeds to the Vanguard Federal Money Market Fund (VFMXX). Motion carried.

#### **4. Review performance of PIMCO Income Fund**

The Board considered PIMCO's past and more recent performance compared to several of the biggest total return bond funds and noted PIMCO's strong 10-year annualized return as more reflective of its active management style. They agreed to continue the investment in PIMCO; however, put it on watch.

#### **5. Recommend reappointing Mr. Robert Stricker to the position of Chairman of the OPEB Trust Board and Mr. William Ferdinand for another three-year term on the OPEB Trust Board**

To Mr. Mynarski and Mr. Duus' inquiry, Mr. Stricker and Mr. Ferdinand agreed to serve another term on the OPEB Trust Board.

#### **6. Discussion of topics for future meetings**

Continue discussion of investment strategy and asset allocation during market volatility.

#### **7. Adjournment**

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0-0 to adjourn the meeting at 9:44 A.M.

Next OPEB meeting is scheduled for Thursday, July 16, 2020 at 8:30 am as a Virtual meeting. [The meeting date was subsequently changed to July 20, 2020].

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Catherine Sidor, Recording Secretary

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Robert Stricker, OPEB Trust Board Chairman

**Schedule of OPEB Trust Board Meetings for calendar year 2020 at 8:30 A.M.**

July 16, 2020 (Thursday) - Virtual Webinar Meeting

[The meeting date was subsequently changed to July 20, 2020]

August (no meeting)

September 17, 2020 (Thursday) - Mazza Conference Room, 1<sup>st</sup> Floor

October 15, 2020 (Thursday) - Mazza Conference Room, 1<sup>st</sup> Floor

November 10, 2020 (Tuesday) - Human Services Conference Room 3<sup>rd</sup> Floor

December 8, 2020 (Tuesday) - Mazza Conference Room, 1<sup>st</sup> Floor

SUBJECT TO APPROVAL

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

**OPEB Trust Board Meeting Minutes**

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*Catherine Sidor*

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Catherine Sidor, Recording Secretary

Robert Stricker

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Robert Stricker, OPEB Trust Board Chairman

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