

1. BET Investment Advisory Comm. Webinar Agenda

Documents:

[BET IAC WEBINAR AGENDA_07-15-2021.PDF](#)

2. SUB_TO_APP_BET IAC Meeting Minutes_6-10-2021

Documents:

[SUB_TO_APP_BET IAC MEETING MINUTES_6-10-2021.PDF](#)

3. SUB_TO_APP_BET IAC Meeting Minutes_7-15-2021

Documents:

[SUB_TO_APP_BET IAC MEETING MINUTES_07-15-2021.PDF](#)

4. APPROVED_BET IAC Meeting Minutes_07-15-2021

Documents:

[APPROVED_BET IAC MEETING MINUTES_07-15-2021.PDF](#)



TOWN OF GREENWICH

BOARD OF ESTIMATE & TAXATION INVESTMENT ADVISORY COMMITTEE WEBINAR

Thursday, July 15, 2021 – 10:00 A.M.

AGENDA

Join Webinar:

<https://greenwichct.zoom.us/j/84363613333?pwd=MmpXbkIxelpTeHYxbIFBTkhBZE9JUT09>

Password: 5530709

Dial: +1 646 518 9805 or 888 475 4499 (Toll Free)

Webinar ID: 843 6361 3333

Password: 5530709

1. Approval of the BET Investment Advisory Committee Webinar Minutes of June 10, 2021
2. Review and approval of any proposed investment actions of the July 14, 2021 meeting of the OPEB Trust Board
3. Discussion of the status for the review of the responses to request for proposal for Investment Advisory Services for the OPEB Trust Fund
4. Discussion of the potential nominees for a member of the OPEB Trust Board
5. Review of Treasury Reports:
 - Town's cash position as of June 30, 2021 and actual cash flows for June 2021
 - Projected flows for fiscal year 2022
 - Bank deposit interest rates and earnings credit rates
 - CD Program holdings as of June 30, 2021
6. Old Business
7. New Business
 - Format of future meetings
8. Adjournment

Next Meeting: September 15, 2021 at 10:00 AM, meeting format 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**

Investment Advisory Committee Meeting Minutes

Thursday, June 10, 2021

Virtual Webinar

Present:

Committee: Andreas Duus, Chair; William Drake, Miriam Kreuzer, David Weisbrod

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

The meeting was called to order at 10:00 A.M.

1. Approval of the BET Investment Advisory Committee Meeting Minutes

Mr. Drake made a motion, seconded by Mr. Duus, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on May 13, 2021. The Committee voted 4-0-0. Motion carried.

2. Review and approval of any proposed investment actions of the June 10, 2021 meeting of the OPEB Board

Ms. Yemets reported that the OPEB Board recommended selling the entire position of the Vanguard Russell 2000 Index ETF (VTWO) and invest enough into S&P 500 ETF (SPY) sufficient to keep the total equity allocation at 70% (total equity includes domestic and international equity positions) and invest the balance of the proceeds into PIMCO Income Fund (PIMIX). The Board's objective for the trade was to take the profits generated by the Vanguard Russell 2000 Index fund, reduce the equity investment from 77% of the portfolio to 70% and increase fixed income exposure. Ms. Yemets will use end of prior business day values to rebalance the portfolio. Ms. Kreuzer expressed concern about the small excess of funds in Fixed Income (above the then not yet BET-approved draft Investment Policy Statement).

Upon a motion by Mr. Drake, seconded by Mr. Duus, to approve the actions of the OPEB Trust, the Committee voted 2-1-1. (Opposed: Kreuzer; Abstain: Weisbrod). Motion carried.

3. Discussion of the request for proposal for Investment Advisory Services for the OPEB Trust Fund, issued May 24 with a response deadline of June 16, 2021

Essentially, the RFP is for a potential OCIO (Outsourced Chief Investment Officer) to manage the OPEB Trust. Ms. Yemets commented that a variety of questions were received by the Purchasing Department from interested applicants but it is traditional for Purchasing to wait until the June 16 deadline has passed before making comments about response to the RFP.

Hardcopies of the RFP proposals will be circulated on June 17; the Committee was asked to review, score and return their input by June 21 so that finalist can be selected, interviews

can be conducted, and a report of the results can be presented to the BET at its July meeting.

4. Discussion of potential nominees for a member of the OPEB Trust Board and for the Chair of the OPEB Trust Board

Mr. Mynarski reported that Mr. Stricker was resigning after more than a dozen years as the OPEB Chair. The IAC acknowledged his public service contribution and outstanding Trust Fund results to the Town. The other two members of the Trust Board, Mr. Pellegrino and Mr. Ferdinand, were nominated as Co-Chairs subsequent to Mr. Pellegrino's re-appointment for a three-year term.

The status of the OPEB Trust Board, however, may be re-evaluated if the BET would ultimately choose to have an OCIO to manage the OPEB Trust.

RESOLUTION: to nominate Mr. Joseph Pellegrino for a three-year term to the OPEB Trust Board.

RESOLUTION: to nominate Mr. Joseph Pellegrino and Mr. William Ferdinand as Co-Chairs to the OPEB Trust Board for a one-year term.

Upon a motion by Mr. Weisbrod, seconded by Mr. Drake, to recommend the two Resolutions regarding the OPEB Trust Board to the full BET for approval, the Committee voted 4-0-0. Motion carried.

5. Review Town's cash position as of May 31, 2021, actual cash flows for May 2021 and projected flows for June 2021

Ms. Yemets reported that the General Fund cash balance at the end of May was \$121,292,202, the appreciation earned by the General Fund was approximately \$36 thousand, and fiscal year to date appreciation was \$559 thousand.

The percentage of invested cash allocations were reviewed noting interest rates being earned on assets in each depository. Ms. Yemets remarked that the CT STIF allocation was moved to JP Morgan Chase and TD due to its interest rate dropping to zero on May 12, 2021. JP Morgan Chase and TD are still offering 10 and 15 bps respectively, Webster Bank plans to drop its interest rate to 6 bps effective June 1, 2021 and the CD Portfolio returned a blended rate of 1.47% (annualized).

The Cash report showed \$3.4 million collected in real estate taxes in May. Estimates of advanced real estate taxes anticipated in June range from \$1.5 million to \$30.0 million. Total cash inflows for the month were \$8.8 million and outflows were approximately \$27.0 million in May. The General Fund cash balance at the end of May was \$121.3 million which is \$12 million ahead of previous year. On June 7th the Town received the first Federal American Recovery Program (ARP) payment in the amount of \$9,596,592.00. The funds were deposited to the General Fund account and subsequently transferred to a separate account opened at TD and specifically designated for the Coronavirus relief funds. An additional \$6.1 million ARP money is also expected by the end of June 2021. The Committee requested

that a new line be added to the Treasurer's Report to segregate grant funds for monthly tracking.

6. Old Business

No topics were scheduled for discussion.

7. New Business

No topics were scheduled for discussion.

6. Adjournment

Mr. Duus made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisory Committee at 11:00 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: July 15, 2021 at 10:00 A.M. via Zoom webinar.

Catherine Sidor, Recording Secretary

Andreas Duus, Chair, Investment Advisory Committee

Schedule of Investment Advisory Committee Meetings for calendar year 2021

July 15, 2021 (Thursday)
September 15, 2021 (Wednesday)
October 14, 2021 (Thursday)
November 9, 2021 (Tuesday)
December 7, 2021 (Tuesday)

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

Investment Advisory Committee Meeting Minutes

Thursday, July 15, 2021

Virtual Webinar

Present:

Committee: Andreas Duus, Chair; William Drake, Miriam Kreuzer, David Weisbrod

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

Guest: William Ferdinand, Member, OPEB Trust Board

The meeting was called to order at 10:00 A.M.

1. Approval of the BET Investment Advisory Committee Meeting Minutes

Mr. Drake made a motion, seconded by Ms. Kreuzer, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on June 10, 2021. The Committee voted 4-0-0. Motion carried.

2. Review and approval of any proposed investment actions of the July 14, 2021 meeting of the OPEB Trust Board

Ms. Yemets reported that the OPEB Trust Board recommended selling the 2.8% excess of PIMCO Income Fund (PIMIX) above the Investment Policy Statement (IPS) maximum guideline limit of 20% for an individual actively managed fund. The proceeds were to be invested in PIMCO Enhanced Short Maturity Active ETF (MINT). Also proposed to be invested into MINT is the Town's net contribution to the OPEB Trust this year of \$883,365.88 currently invested in the Vanguard Federal Money Market Fund. Ms. Yemets commented that when an allocation reached 2% over its benchmark, rebalancing was required by the IPS. Although the OPEB Trust now meets only quarterly, Ms. Yemets as the OPEB Trustee can rebalance the Portfolio to the target allocations as necessary every month without IAC approval. Ms. Kreuzer remained concerned that a precedent would be established if an allocation outside the guidelines, however small, were to be approved. The Committee proceeded to a vote.

Upon a motion by Mr. Duus, seconded by Mr. Drake, to approve the actions of the OPEB Trust, the Committee voted 2-1-1. (Opposed: Kreuzer; Abstain: Weisbrod) Motion carried.

3. Discussion of the status for the review of the responses to request for proposal for Investment Advisory Services for the OPEB Trust Fund

Twelve responses to the RFP have been received from a variety of firms, including Neuberger Berman. Each member of the Committee had returned their evaluations and ranking to the Purchasing Department, which in turn will share the aggregate ranking of the proposals with the Committee members for their consideration at a meeting scheduled

for July 22 at 4:00 P.M. Ms. Yemets commented that a variety of questions were received by the Purchasing Department.

4. Discussion of potential nominees for a member of the OPEB Trust Board

Mr. Duus asked the Committee to email him their nominees. Ms. Kreuzer commented that the First Selectman and the RTM Moderator had assembled a list recently to make an appointment to the Retirement Board and that there might be suitable candidates for the OPEB Trust Board on that list. Mr. Duus will seek to obtain the list of names considered for the Retirement Board and share with the Committee. The question of the suitability of nominating a candidate for the OPEB Trust Board when an Outsourced Chief Investment Officer (OCIO) might be selected shortly, was considered. It was decided to identify a candidate for approval at the September meeting.

Mr. Ferdinand cautioned that an OCIO might not have the sensitivity to the business cycle and would be slow to react defensively when the markets experience downturns.

5. Review of Treasury Reports:

- **Town's cash position as of June 30, 2021 and actual cash flows for June 2021**

June inflows were \$35.5 million, of which \$27.0 million were tax collections. Other significant contributors to the revenues collected in June were conveyance tax (\$1.2 million), building permits (\$0.6 million), and a number of State grants. Total outflows amounted to \$37.6 million. The General Fund's cash position on June 30, 2021 was \$119.2 million, \$31.8 million higher than the balance as of June 30, 2020. The total tax collections in fiscal year 2021 were \$426.6 million, which includes fiscal year 2022 advanced payments.

- **Projected flows for fiscal year 2022**

The estimated forecast for July inflows was about \$130 million, provided the tax collections rate in July was similar to the ones in fiscal years 2019 and 2020. The outflows were estimated to total approximately \$58 million, which would include the Town's annual contributions to the Retirement Plan and OPEB, as well as semiannual payment to GEMS and July 15th debt service payments. The Chair commented that July 2021 ending cash position was projected to be less than that of 2019 or 2020; Ms. Yemets responded that the forecast was quite conservative.

- **Bank deposit interest rates and earnings credit rates**

Interest rates being paid for Town deposits in banks, CT STIF, and CDs were reviewed

- **CD Program holdings as of June 30, 2021**

Ms. Yemets reported that as of June 30, the CD Portfolio consisted of 90 holdings with total maturities of \$21.3 million and yields ranging from 10 bps to 3.068%. The Portfolio weighted average yield was 1.425% and average maturity was 1.235 years. All holdings had IDC rankings of 165 or higher.

6. Old Business

Mr. Duus noted that the BET Pension Liability Special Project Team, which comprises the same members as the IAC, will review the draft report prepared by Mr. Duus and Ms. Kreuzer, before circulating to a broader group for feedback before Labor Day.

7. New Business

Committee meetings will be held in person in conference rooms at Town Hall beginning with the September meeting. The Committee decided to change the time of the September meeting to 8:30 A.M.

8. Adjournment

Ms. Kreuzer made a motion, seconded by Mr. Weisbrod, to adjourn the Regular Meeting of the Investment Advisory Committee at 11:14 A.M. The Committee voted 4-0-0. Motion carried .

Next Meeting: September 15, 2021 at 8:30 A.M. in the Mazza Conference Room at Town Hall.

Catherine Sidor, Recording Secretary

Andreas Duus, Chair, Investment Advisory Committee

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Catherine Sidor, Recording Secretary



Andreas Duus, Chair, Investment Advisory Committee

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