1. OPEB Trust Board Meeting Agenda
   Documents:
   
   OPEB_TRUST_BOARD_MEETING_AGENDA_07-16-19.PDF

2. SUB TO APP OPEB Trust Board Meeting Minutes
   Documents:
   
   SUB_TO_APP_OPEB_TRUST_BOARD_MEETING_MINUTES_07-16-19.PDF

3. APPROVED OPEB Trust Board Meeting Minutes
   Documents:
   
   APPROVED_OPEB_TRUST_BOARD_MEETING_MINUTES-07-16-19.PDF
TOWN OF GREENWICH

OPEB TRUST BOARD MEETING

Tuesday, July 16, 2019
8:30 A.M.

Mazza Room
1st Floor, Town Hall

AGENDA

1. Acceptance of the OPEB Trust Meeting Minutes of June 6, 2019

2. Review Performance of Trust as of the end of June 2019, including the rebalancing trades during the month and the resulting asset allocation percentages

3. Review the timing and amount of the net cash inflow from the Town of Greenwich for its OPEB Trust contribution for fiscal year 2019-2020

4. Discuss market conditions and investment strategy, including asset allocation, index investing back test, strategy and timing for international and emerging markets, and U.S. Total Stock Market and Global Equities ex U.S. ETF investment options

5. Discuss reinvestment of the U.S. Treasuries maturing on 8/22/19, 8/31/19 and 9/5/19

6. Discussion of topics for future meetings

7. Adjournment

Next Meeting Wednesday, September 11, 2019 at 8:30 A.M. in the Mazza Room, 1st Floor.
TOWN OF GREENWICH
OPEB Trust Board Meeting
Tuesday, July 16, 2019
Mazza Conference Room, 1st Floor, Town Hall

Present:

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

BET Attendees: William Drake, Andreas Duus. David Weisbrod, Anthony Turner

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

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

1. Acceptance of OPEB Meeting Minutes

Mr. Ferdinand made a motion, seconded by Mr. Stricker, to accept the Minutes of June 6, 2019. The Board voted 2-0-0. (Pellegrino arrived after vote) Motion carried.

2. Review Performance of Trust as of the end of June 2019, including the rebalancing trades during the month and the resulting asset allocation percentages

Ms. Yemets reported June performance of major market indices: S&P 500 returned 7.05%; MSCI All Country World ex US returned 6.02%; and, Bloomberg Barclays US Aggregate Bond Index returned 1.26%. Best performing sectors in June were materials (+11.71%), energy (+9.27%), and technology (+9.13%). Small Cap Growth showed the strongest performance among US equities, returning 7.70%. US equities outperformed international and emerging markets.

Ms. Yemets commented on June trades noting that the Board decided to sell all sector funds and invest the proceeds in ninety-day Treasury Bills to bring the Fixed Income position to 50% with the remaining proceeds invested in SPDR S&P 500 ETF (SPY). OPEB Trust Portfolio gained $1,030,369 or 3.70% in June, ending the month with a balance of $31,071,387 before operating cash. The Portfolio was allocated 49.3% to Fixed Income and Cash, 44.0% to Domestic Equities and 6.7% to International Equities asset class represented by iShares MSCI Emerging Markets ETF.

The Portfolio’s total return of 3.70% for June placed below the blended benchmark. Domestic equities returned 6.93%, in line with the S&P 500 index. International equities with the return of 6.21% outperformed the MSCI All Country World ex US index by 19 bps. The position in alternatives was sold in June.

3. Review the timing and amount of the net cash inflow from the Town of Greenwich for its OPEB Trust contribution for fiscal year 2019-2020

The Town’s gross contribution to OPEB for the fiscal year 2019-2020 is budgeted to be $3,598,000. Offset by the prior fiscal year expenses in the amount of $2,949,547.84, the net inflow would be $648,452.16. The Board decided to have the funds invested in ninety-day US
Treasuries and S&P 500 ETF in sufficient amounts to keep the allocations in line with the target of 50% equities and 50% fixed income.

Upon a motion by Mr. Stricker, seconded by Mr. Pellegrino, the Board voted 3-0-0 to invest the Town contribution of $648,452.16 in ninety-day US Treasury Bills and the S&P 500 ETF according to the current target asset allocation. Motion carried.

4. **Discuss market conditions and investment strategy, including asset allocation, index investing back test, strategy and timing for international and emerging markets, and U.S. Total Stock Market and Global Equities ex U.S. ETF investment options**

The Board discussed the drivers of the longest historical economic expansion and what could sustain or cause it to change. Noting that the OPEB Portfolio has had a good run relative to its benchmark, a probability of the markets going into recession in near future was discussed. The Board members focused on what the OPEB Trust Portfolio asset allocation should be: whether the Portfolio’s equity allocation should be increased to 60% or the ratio of 50% fixed income / 50% equities should be maintained. The consensus was to watch the equity markets and increase the allocation to domestic/international equities after the markets pull back.

The Board reviewed the performance back-test analysis prepared by Ms. Yemets. Historical OPEB Trust Portfolio asset allocations were applied to a test portfolio consisting of the broad US market, international equity and domestic fixed income index ETFs. It was recommended that the ETF funds used for the test should be substituted with the ETFs that closely track the indices that comprise the OPEB Trust Portfolio’s blended benchmark and a revised analysis to be presented at the Board meeting in September.

5. **Discuss reinvestment of the U.S. Treasuries maturing on 8/22/19, 8/31/19 and 9/5/19**

Mr. Pellegrino made a motion, seconded by Mr. Stricker, to roll over the Treasuries maturing before the next meeting in September, into ninety-day US Treasury Bills. The Board voted 2-0-0 (Mr. Ferdinand departed before vote). Motion carried.

6. **Discuss topics for future meetings**

Further discussion of OPEB’s investing style is planned for its meeting on September 11, 2019.

7. **Adjournment**

Upon a motion by Mr. Stricker, seconded by Mr. Pellegrino, the Board voted 2-0-0 to adjourn the meeting at 9:55 A.M. Motion carried.

Next OPEB meeting scheduled for September 11, 2019 at 8:30 A.M. in the Mazza Conference Room, 1st Floor.

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Catherine Sidor, Recording Secretary
Scheduled OPEB Board Meetings through June 2020 to be held at 8:30 A.M.

August – no meeting
September 11, 2019 (Wednesday)
October 8, 2019 (Tuesday)
November 12, 2019 (Tuesday)
December 10, 2019 (Tuesday)
January 9, 2020 (Thursday)
February 13, 2020 (Thursday)
March 12, 2020 (Thursday)
April 9, 2020 (Thursday)
May 7, 2020 (Thursday)
June 11, 2020 (Thursday)
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