

1. OPEB Trust Board Webinar Agenda

Documents:

[OPEB_WEBINAR_AGENDA_07-20-20.PDF](#)

2. SUB TO APP OPEB Webinar Minutes

Documents:

[SUB_TO_APP_OPEB_WEBINAR_MINUTES_07-20-20.PDF](#)

3. APPROVED OPEB Trust Board Webinar Minutes

Documents:

[APPROVED_OPEB_WEBINAR_MINUTES_07-20-20.PDF](#)



TOWN OF GREENWICH

OPEB TRUST BOARD WEBINAR

**Monday, July 20, 2020
8:30 A.M.**

AGENDA

You are invited to a Zoom Webinar
<https://greenwichct.zoom.us/j/91831199724?pwd=Y3M0dIE0WGtWeks0WGs2ZjJaOFRpUT09>
Password: 2665033

Or iPhone one-tap: +16465189805,,91831199724#,,1#,2665033# US

Dial (for higher quality, dial a number based on your current location): +1 646 518 9805
Webinar ID: 918 3119 9724
Password: 2665033

1. Approval of the OPEB Trust Meeting Minutes of June 11, 2020
2. Review performance of Trust as of the end of June 2020, including the rebalancing trades during the month and the resulting asset allocation percentages
3. Review the timing and amount of the Town of Greenwich OPEB Trust contribution for fiscal year 2020-2021
4. Discuss market conditions and investment strategy, including asset allocation
5. Review convertible securities funds for potential investment
6. Discussion of topics for future meetings
7. Adjournment

Next Meeting Thursday, September 17, 2020 at 8:30 A.M. either virtually or in the Mazza Room.

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
BOARD OF ESTIMATE AND TAXATION**

OPEB Trust Board Meeting Minutes

Monday, July 20, 2020

Virtual Webinar

Present:

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

BET Attendees: William Drake, Andreas Duus, Laura Erickson, Miriam Kreuzer, Leslie Moriarty, Leslie Tarkington, 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 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 June 11, 2020. Motion carried.

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

Ms. Yemets provided a market update for the month of June: global equities posted positive returns with the S&P 500 Index increasing almost 2.0% and MSCI All Country World ex-US advancing 4.5%. S&P's three-month return was 20.5%, the largest quarterly gain for the index since 1998. Contrary to recent trends, U.S. small caps outperformed large caps in June; growth stocks did better than the value stocks. One-year returns range from -17.5% for Small Cap Value to positive 23.3% for Large Cap Growth. For one year, U.S. equities outperformed international and emerging markets stocks.

In June, the OPEB Trust Portfolio gained \$392 thousand or 1.53% and ended the month with a total of \$32,861,694 before operating cash. Fiscal year 2020 gains were \$1,141,855. On June 30, 70.9% of the Portfolio was in US equities (SPY), 18.4% was in PIMCO Income Fund and the rest in U.S. Treasuries and Vanguard Federal Money Market fund. The Trust Portfolio had zero exposure to international equities in June, and domestic equities gained 1.78%. Domestic fixed income posted a return of 1.31%, outperforming its benchmark by 68 basis points.

3. Review the timing and amount of the Town of Greenwich OPEB Trust contribution for fiscal year 2020-2021

Ms. Yemets reported that the finalized contribution amount would be known in the next few days and forwarded to Trust Board members at that time.

The Trust Board discussed how the contribution should be invested. Mr. Stricker suggested that it should be invested pro-rata based on current target allocations. Mr. Ferdinand recommended to keep the contribution in cash until a market pullback presents a good opportunity to invest. Mr. Pellegrino noted extreme market volatility, uncertainty created by the coronavirus and the upcoming presidential election, and felt that the Town's annual contribution should stay in cash at the current time. It was decided to defer the decision until the target allocation is further discussed. [Subsequently to the meeting, the net amount was revised to be negative or an outflow from the OPEB Trust.]

4. Discuss market conditions and investment strategy, including Asset Allocation

The Board discussed the importance of measuring the Trust Portfolio's performance versus the right benchmark and setting the asset allocation accordingly. Mr. Ferdinand expressed the view that in the current market environment having 70% exposure to equities is reasonable, that the Board should be patient in the short term and there will be an opportunity to increase the equity position in the future. Mr. Pellegrino added that he was concerned about the market downside and supported keeping equity exposure at the current level. Mr. Stricker suggested that some of the equities should be moved to convertible bonds which could help the Portfolio to participate in the market upside and eliminate some of the downside risk. The Board discussed the nature of convertible bonds and how they should be accounted for in the Portfolio.

Mr. Stricker made a motion to move 10% of the Portfolio's equities into iShares Convertible Bond ETF (ICVT). Motion not seconded.

SUBJECT TO APPROVAL
Mr. Stricker made a motion to invest 50% of the Town's contribution to OPEB in the iShares Convertible Bond ETF (ICVT) and the remaining 50% in SPDR S&P 500 ETF (SPY). Motion not seconded.

Mr. Stricker made a motion, seconded by Mr. Ferdinand, to invest all of the Town's contribution to OPEB into SPDR S&P 500 (SPY). No vote taken.

Mr. Ferdinand said that he misunderstood the motion and meant to vote for 100% of the inflow to be in cash until the Board decides to move it. The Board discussed how and when the decision to move the funds from cash to SPY would be made: at a formal meeting; by delegating a Board member to act with specific parameters; or, by a special virtual meeting. Mr. Duus, Chairman of IAC and Mr. Drake reminded the OPEB Trust Board that IAC approval of its recommendations is required, and no IAC meeting is scheduled in August. It was decided that Ms. Yemets would email the exact amount of the Town contribution to the Trust Board when it is known. One hundred percent (100%) would be transferred to the OPEB Portfolio's settlement fund, Vanguard Federal Money Market (VMFXX), to await notification from Mr. Stricker on arrangement of a virtual meeting. In further discussion, it was decided to vote on its investment at the September meeting.

5. Review convertible securities funds for potential investment

Convertible securities were discussed as an investment option under Topic #4.

6. Discussion of topics for future Meetings

Continue discussion of asset allocation during market volatility and the Portfolio custom benchmark

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, September 17, 2020 either virtually or in the Mazza Room.

Catherine Sidor, Recording Secretary

Robert Stricker, OPEB Trust Board Chairman

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

August	(no meeting)
September 17, 2020	(Thursday) – Mazza Conference Room, 1 st Floor or Virtual
October 15, 2020	(Thursday) – Mazza Conference Room, 1 st Floor
November 10, 2020	(Tuesday) – Human Services Conference Room 3 rd Floor
December 8, 2020	(Tuesday) – Mazza Conference Room, 1 st Floor

SUBJECT TO APPROVAL

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

OPEB Trust Board Meeting Minutes

Monday, July 20, 2020

Virtual Webinar

Present:

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

BET Attendees: William Drake, Andreas Duus, Laura Erickson, Miriam Kreuzer, Leslie Moriarty, Leslie Tarkington, 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 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 June 11, 2020. Motion carried.

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

Ms. Yemets provided a market update for the month of June: global equities posted positive returns with the S&P 500 Index increasing almost 2.0% and MSCI All Country World ex-US advancing 4.5%. S&P's three-month return was 20.5%, the largest quarterly gain for the index since 1998. Contrary to recent trends, U.S. small caps outperformed large caps in June; growth stocks did better than the value stocks. One-year returns range from -17.5% for Small Cap Value to positive 23.3% for Large Cap Growth. For one year, U.S. equities outperformed international and emerging markets stocks.

In June, the OPEB Trust Portfolio gained \$392 thousand or 1.53% and ended the month with a total of \$32,861,694 before operating cash. Fiscal year 2020 gains were \$1,141,855. On June 30, 70.9% of the Portfolio was in US equities (SPY), 18.4% was in PIMCO Income Fund and the rest in U.S. Treasuries and Vanguard Federal Money Market fund. The Trust Portfolio had zero exposure to international equities in June, and domestic equities gained 1.78%. Domestic fixed income posted a return of 1.31%, outperforming its benchmark by 68 basis points.

3. Review the timing and amount of the Town of Greenwich OPEB Trust contribution for fiscal year 2020-2021

Ms. Yemets reported that the finalized contribution amount would be known in the next few days and forwarded to Trust Board members at that time.

The Trust Board discussed how the contribution should be invested. Mr. Stricker suggested that it should be invested pro-rata based on current target allocations. Mr. Ferdinand recommended to keep the contribution in cash until a market pullback presents a good opportunity to invest. Mr. Pellegrino noted extreme market volatility, uncertainty created by the coronavirus and the upcoming presidential election, and felt that the Town's annual contribution should stay in cash at the current time. It was decided to defer the decision until the target allocation is further discussed. [Subsequently to the meeting, the net amount was revised to be negative or an outflow from the OPEB Trust.]

4. Discuss market conditions and investment strategy, including Asset Allocation

The Board discussed the importance of measuring the Trust Portfolio's performance versus the right benchmark and setting the asset allocation accordingly. Mr. Ferdinand expressed the view that in the current market environment having 70% exposure to equities is reasonable, that the Board should be patient in the short term and there will be an opportunity to increase the equity position in the future. Mr. Pellegrino added that he was concerned about the market downside and supported keeping equity exposure at the current level. Mr. Stricker suggested that some of the equities should be moved to convertible bonds which could help the Portfolio to participate in the market upside and eliminate some of the downside risk. The Board discussed the nature of convertible bonds and how they should be accounted for in the Portfolio.

Mr. Stricker made a motion to move 10% of the Portfolio's equities into iShares Convertible Bond ETF (ICVT). Motion not seconded.

Mr. Stricker made a motion to invest 50% of the Town's contribution to OPEB in the iShares Convertible Bond ETF (ICVT) and the remaining 50% in SPDR S&P 500 ETF (SPY). Motion not seconded.

Mr. Stricker made a motion, seconded by Mr. Ferdinand, to invest all of the Town's contribution to OPEB into SPDR S&P 500 (SPY). No vote taken.

Mr. Ferdinand said that he misunderstood the motion and meant to vote for 100% of the inflow to be in cash until the Board decides to move it. The Board discussed how and when the decision to move the funds from cash to SPY would be made: at a formal meeting; by delegating a Board member to act with specific parameters; or, by a special virtual meeting. Mr. Duus, Chairman of IAC and Mr. Drake reminded the OPEB Trust Board that IAC approval of its recommendations is required, and no IAC meeting is scheduled in August. It was decided that Ms. Yemets would email the exact amount of the Town contribution to the Trust Board when it is known. One hundred percent (100%) would be transferred to the OPEB Portfolio's settlement fund, Vanguard Federal Money Market (VMFXX), to await notification from Mr. Stricker on arrangement of a virtual meeting. In further discussion, it was decided to vote on its investment at the September meeting.

5. Review convertible securities funds for potential investment

Convertible securities were discussed as an investment option under Topic #4.

6. Discussion of topics for future Meetings

Continue discussion of asset allocation during market volatility and the Portfolio custom benchmark

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, September 17, 2020 either virtually or in the Mazza Room.



Catherine Sidor, Recording Secretary

Robert Stricker

Robert Stricker, OPEB Trust Board Chairman

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

August	(no meeting)
September 17, 2020	(Thursday) – Mazza Conference Room, 1 st Floor or Virtual
October 15, 2020	(Thursday) – Mazza Conference Room, 1 st Floor
November 10, 2020	(Tuesday) – Human Services Conference Room 3 rd Floor
December 8, 2020	(Tuesday) – Mazza Conference Room, 1 st Floor