

1. BET Investment Advisory Comm. Meeting Agenda

Documents:

[BET IAC MEETING AGENDA 09-15-2021.PDF](#)

2. BET Investment Advisory Comm. Meeting Packet

Documents:

[BET IAC MEETING PACKET 09-15-2021.PDF](#)

3. SUB_TO_APP_BET IAC Meeting Minutes_09-15-2021

Documents:

[SUB_TO_APP_BET IAC MEETING MINUTES_09-15-2021.PDF](#)

4. APPROVED_BET IAC Meeting Minutes_09-15-2021

Documents:

[APPROVED_BET IAC MEETING MINUTES_09-15-2021.PDF](#)



TOWN OF GREENWICH

**BOARD OF ESTIMATE & TAXATION
INVESTMENT ADVISORY COMMITTEE MEETING**

Wednesday, September 15, 2021 – 8:30 A.M.

**Mazza Room
1st Floor, Town Hall**

AGENDA

1. Approval of the BET Investment Advisory Committee Webinar Minutes of July 15, 2021
2. Discussion of the decision of the Evaluation Committee regarding the RFP for Investment Advisory Services for the OPEB Trust Fund
3. Discussion of the potential nominees for a member of the OPEB Trust Board
4. Review of Treasury Reports:
 - OPEB Trust investment performance and rebalancing analysis as of August 31, 2021
 - Town's cash position and invested cash allocations as of August 31, 2021
 - General Fund monthly cash flows: actual for July and August 2021 and projected for the remainder of fiscal year 2022
5. Old Business
6. New Business
 - Format of future meetings
7. Adjournment

Next Meeting: October 14, 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.



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**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

Schedule Investment Advisory Committee Meetings for calendar year 2021

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
Wednesday, September 15, 2021

Present:

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

Staff: Peter Mynarski, Comptroller; Nataliya Yemets, Treasurer

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

1. Approval of the BET Investment Advisory Committee Webinar Meeting Minutes of July 15, 2021

Mr. Drake made a motion, seconded by Ms. Kreuzer, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on July 15, 2021. The Committee voted 4-0-0. Motion carried.

2. Discussion of the decision of the Evaluation Committee regarding the RFP for Investment Advisory Services for the OPEB Trust Fund

Mr. Duus mentioned that the Evaluation Committee for Outsourced Chief Investment Officer (OCIO) services for the Other Post-Employment Benefits Trust Fund (OPEB) Request for Proposals had culminated with a decision to proceed with the hiring of the highest rated respondent.

Mr. Weisbrod made a motion to recommend to the full Board of Estimate and Taxation the appointment of the selection of the OCIO for OPEB at its next scheduled meeting on September 20, 2021. Ms. Kreuzer seconded the motion and the motion carried 3 to 1 (Opposed: Mr. Drake).

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

Mr. Duus suggested that with the selection of a potential OCIO for the OPEB Trust Fund, it would be premature to address this topic and deferred discussions. He added that, in light of outsourcing management of OPEB Trust funds, the Investment Advisory Committee may want to reexamine the role of the current OPEB Board.

4. Review of Treasury Reports:

- **OPEB Trust Investment performance and rebalancing analysis as of August 31, 2021**

Ms. Yemets informed the Committee that the OPEB Trust market value on August 31, 2021 was \$45,383,605. She added that the fund had earnings of \$880,221, or 1.98%, for

August 2021 and earnings of \$1,572,722 for the fiscal year-to-date. Ms. Yemets noted that the fund's current asset allocation was in compliance with the Investment Policy Statement (IPS) target; however, the 30.2% exposure to actively managed funds (PIMCO Income Fund and PIMCO Enhanced Short Maturity Active ETF combined) exceeded the IPS limit of 30.0%. There was an extended discussion, led by Ms. Kreuzer, about addressing the compliance issue. It was concluded by the Committee and the Treasurer that the issue should be addressed by the OPEB Trust Board at their October 2021 meeting. It is expected that the OPEB Trust Board would review the IPS and clarify the monthly rebalancing process to avoid any potential future guideline violations.

- **Town's cash position and invested cash allocations as of August 31, 20221**

Ms. Yemets informed the Committee that the Town's overall cash position noted on the August 2021 Treasurer's Report was at \$353,720,875. She reminded the Committee that this year's report shows a return to normalcy with tax collections. Last year, the Treasurer's Report reflected lower tax collections in the months of July and August, due to the State of Connecticut Governor's directive to allow the deferral of paying taxes up to September 30, 2020.

Ms. Yemets reviewed the Town's invested cash allocations by financial institution. Mr. Weisbrod asked if the Town had a diversification policy. There was an extended discussion about whether or not the current Resolution Concerning Cash Management, approved by the BET, properly dealt with that issue. As a result, it was concluded to put the issue of a Diversification Policy on the agenda for the October 2021 BET IAC meeting.

- **General Fund monthly cash flows: actual for July and August 2021 and projected for the remainder of fiscal year 2022**

Ms. Yemets methodically detailed the contents of the General Fund Monthly Cash Report for the months of July and August. She highlighted the most notable revenue and expenditure activity.

5. **Old Business**

There was no Old Business to discuss.

6. **New Business**

- **Format of future meetings**

It was decided that the next Investment Advisory Committee meeting will be in person in the Mazza room, assuming allowed by the then Town's policy regarding conference room usage.

7. **Adjournment**

Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisory Committee at 9:28 A.M. The Committee voted 4-0-0. Motion carried .

Next Meeting: October 14, 2021 at 10:00 A.M. in the Mazza Conference Room at Town Hall. It follows the quarterly meeting of the OPEB Trust Board, scheduled at 8:30 A.M. that same day.

Peter Mynarski, Recording Secretary

Andreas Duus, Chair, Investment Advisory Committee

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