

1. OPEB Trust Board Webinar Agenda

Documents:

[OPEB_WEBINAR_AGENDA_09-17-20.PDF](#)

2. SUB TO APP OPEB Webinar Minutes

Documents:

[SUB_TO_APP_OPEB_WEBINAR_MINUTES_09-17-20.PDF](#)



TOWN OF GREENWICH

**OPEB TRUST BOARD
WEBINAR**

**Thursday, September 17, 2020
8:30 A.M.**

AGENDA

You are invited to a Zoom Webinar
<https://greenwichct.zoom.us/j/96155506342?pwd=bmdzYzFIZDdwVXJuUy8xdE1nNXdnZz09>
Password: 1727151

Or iPhone one-tap: +16465189805,,96155506342#,,1#,1727151# US

Dial (for higher quality, dial a number based on your current location): +1 646 518 9805
Webinar ID: 961 5550 6342
Password: 1727151

1. Approval of the OPEB Trust Meeting Minutes of July 20, 2020
2. Review performance of Trust as of the end of August 2020, including asset allocation
3. Discuss market conditions and investment strategy
4. Discuss the Town of Greenwich OPEB Trust contribution for fiscal year 2020-2021
5. Schedule OPEB Board meetings for calendar year 2021
6. Discussion of topics for future meetings
7. Adjournment

Next Meeting Thursday, October 15, 2020 at 8:30 AM 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 demetria.nelson@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, September 17, 2020
Virtual Webinar

Present:

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

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

BET Attendees: Michael Mason, BET Chairman; Andreas Duus, Laura Erickson, Miriam Kreuzer, Leslie Moriarty, David Weisbrod

The meeting was called to order at 8:40 A.M.

1. **Approval of the OPEB Trust Meeting Minutes**

Upon a motion by Mr. Ferdinand, seconded by Mr. Stricker, the Board voted 2-0-0 to accept the Minutes of the OPEB Trust Board Meeting held on July 20, 2020. Motion carried.

2. **Review performance of Trust as of the end of August 2020, including asset allocation**

Ms. Yemets provided a market update of the month of August: Equities across the globe continued to post positive returns, with the S&P 500 Index rising 7.19% and MSCI All Country World ex-US advancing 4.28%. However, the Bloomberg Barclays US Aggregate Total Return Bond Index lost 81 bps in August. Many of the equity one-year returns were positive double digits, Russell 1000 Growth generated an impressive 44.34% return. U.S. Large Cap Growth equities were the leader in August and in the one-year period. Mid Cap Growth had the weakest return in August, Small Cap Value lagged other equities for a one-year period. US stocks outperformed international equity and emerging markets.

In August, the OPEB Trust Portfolio advanced 5.29%, beating the blended benchmark by 159 bps and generating a gain of \$1.8 million. Fiscal year-to-date gain was almost \$3.4 million. The Portfolio's ending balance as of 8/31/2020 was \$36,246,566 before operating cash. On August 31, 73.2% of the Portfolio was in US equities (SPDR S&P 500 ETF) and 26.8% was in US fixed income, including PIMCO Income Fund, US Treasuries and cash. The Trust Portfolio total equities gained 6.98% during the month; domestic fixed income posted a return of 0.94%, outperforming its benchmark by 175 bps. The Trust's fiscal year-to-date return was 9.97%, 210 bps ahead of the benchmark. Longer term returns lagged the benchmark but exceeded the Trust's actuarial return assumption of 7%.

3. Discuss market conditions and investment strategy

Mr. Ferdinand led off the discussion suggesting that fundamentally nothing had changed since the prior month: GDP numbers were over 20%, technicals were still solid. Mr. Stricker agreed but noted that the interest rates were manipulated by the Fed and that PEs needed to adjust for low interest rates in the future. He also warned that the markets were driven by a few bigger names and that underperformance by several of them could result in a significant market correction. The risk management strategies were discussed, changing target allocation to include convertible bonds into the Portfolio was one of them.

Mr. Stricker made a motion to reduce the Portfolio's target equity allocation to 65% by increasing the position in PIMCO Income Fund. No second was offered.

Mr. Ferdinand made a motion to reduce the Portfolio's target equity allocation to 70%. No second was offered.

Mr. Stricker made a motion, seconded by Mr. Ferdinand, to change the Portfolio target allocations as follows: 65% in US equities (represented by SPDR S&P 500 ETF (SPY)), 5% in convertible bonds (represented by iShares Convertible Bond ETF (ICVT)), and 30% in US fixed income and cash. The Committee voted 2-0-0. Motion carried.

4. Discuss the Town of Greenwich OPEB trust contribution for fiscal year 2020-2021

Ms. Yemets commented that for FY2021 the Town budgeted an annual contribution to the OPEB Trust in the amount of \$3,450,000. After adjusting that amount by the Trust's prior fiscal year total expenses, the net cash flow would be an outflow of \$117,857.53 from OPEB to the General Fund.

Upon a motion by Mr. Stricker, seconded by Mr. Ferdinand, the amount to be transferred to the Town's General Fund account (\$117,857.53) should be withdrawn from the Vanguard Federal Money Market Fund (VMFXX). The Board voted 2-0-0. Motion carried.

5. Schedule OPEB Board meetings for calendar year 2021

It was decided that meetings beginning in January will be held on the second Thursday of the month at 8:30 A.M. unless otherwise noted. Conference rooms will be reserved; however, meetings may continue to be virtual.

- January 14, 2021 (Thursday)
- February 11, 2021 (Thursday)
- March 11, 2021 (Thursday)
- April 8, 2021 (Thursday)
- May 13, 2021 (Thursday)
- June 10, 2021 (Thursday)

6. Discussion of topics for future meetings

Discuss PIMCO Enhanced Short Maturity Active ETF (MINT).

7. Adjournment

Upon a motion by Mr. Stricker, seconded by Mr. Ferdinand, the Board voted 2-0-0 to adjourn the meeting at 9:49 A.M.

Next OPEB meeting is scheduled for Thursday, October 15, 2020 either virtually or in the Mazza Room.

Catherine Sidor, Recording Secretary

Robert Stricker, OPEB Trust Board Chairman

SUBJECT TO APPROVAL