

1. BET Investment Advisory Comm. Webinar Agenda_10-14-2021

Documents:

[BET IAC WEBINAR AGENDA_10-14-2021.PDF](#)

2. BET Investment Advisory Comm. Packet_10-14-2021

Documents:

[BET IAC WEBINAR PACKET_10-14-2021.PDF](#)

3. SUB_TO_APP_BET IAC Meeting Minutes_10-14-2021

Documents:

[SUB_TO_APP_BET IAC MEETING MINUTES_10-14-2021.PDF](#)

4. APPROVED_BET IAC Meeting Minutes_10-14-2021

Documents:

[APPROVED_BET IAC MEETING MINUTES_10-14-2021.PDF](#)



TOWN OF GREENWICH

BOARD OF ESTIMATE & TAXATION INVESTMENT ADVISORY COMMITTEE MEETING

Thursday, October 14, 2021 – 10:00 A.M.

AGENDA

Join Zoom Webinar:

<https://greenwichct.zoom.us/j/81516665793?pwd=djJGUklvRFZKcjZGU2huOXRoeExkdz09>

Password: 0638803

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

Webinar ID: 815 1666 5793

Password: 0638803

1. Approval of the BET Investment Advisory Committee Meeting Minutes of September 15, 2021
2. Review and approval of any proposed investment actions of the October 14, 2021 meeting of the OPEB Trust Board
3. Discussion of the rebalancing mechanism for actively managed funds in the OPEB Trust Investment Policy Statement
4. Update on the RFP for Investment Advisory Services for the OPEB Trust Fund
5. Review of Treasury Reports:
 - Town's cash position and invested cash allocations as of September 30, 2021
 - General Fund monthly cash flows: actual for September 2021 and projected for the remainder of fiscal year 2022
 - Bank deposit interest rates and earnings credit rates
 - CD Program holdings as of September 30, 2021
6. Old Business
7. New Business
8. Adjournment

Next Meeting: November 9, 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
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, 2021**

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

Schedule Investment Advisory Committee Meetings for calendar year 2021

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, October 14, 2021

Virtual Webinar

Present:

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

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

BET: Harry Fisher, Leslie Moriarty

Guests: William Ferdinand, Member, OPEB Trust Board; Odile Sudell, Cos Cob
resident

The meeting was called to order at 10:03 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 September 15, 2021. The Committee voted 4-0-0. Motion carried.

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

Ms. Yemets reported that no explicit recommendations or actions were made during the OPEB Trust Board meeting that require IAC approval. During the discussion of market conditions, the Trustees made no changes to portfolio allocations.

3. Discussion of the rebalancing mechanism for actively managed funds in the OPEB Trust Investment Policy Statement

Ms. Yemets summarized the Trust Board discussion on rebalancing when OPEB allocations were not in compliance with the investment policy guidelines and OPEB Board Members and the IAC reaffirmed that, according to the policy, rebalancing is necessary when allocations to actively managed funds deviate 2% or more from the allocation limits set in the Investment Policy Statement.

The IAC noted that although the value of the OPEB Portfolio declined 3% in September, the fiscal year-to-date gain was \$66,775 and the September 30, 2021 market value of the Portfolio was \$43,877,658 with a CYTD return of 11.55% or 2.90% ahead of the blended benchmark.

4. Update on the RFP for Investment Advisory Services for the OPEB Trust Fund

Mr. Duus commented that although the RFP Evaluation Committee identified the probable winning OCIO firm, unresolved potential legal and insurance accounting issues remain. He expects the process will continue to move forward.

5. Review of Treasury Reports:

- **Town's cash position and invested cash allocations as of September 2021**

The September-end balance of the General Fund was \$196.4 million, deposited in three banks, Connecticut Short-Term Investment Fund and the CD Program, which combined earned \$33,930 in September.

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

The Town's total cash balance excluding the Retirement Fund was \$316.5 million on September 30; 72% of all cash (excluding the Retirement Fund and the OPEB Trust) was in the General Fund. The Fund's inflows totaled \$8.4 million in September and the outflows were \$39.5 million. The General Fund ended the month with a total of \$196.4 million. The American Rescue Plan Act funds of \$15.7 million are maintained in an account separate from the General Fund to facilitate future complex reporting procedure.

- **Bank deposit interest rates and CD yields**

The Committee reviewed interest rates. The banks in which the Town maintains deposits have kept the rates at the same level since June 2021 with the exception of TD which lowered the interest paid on the Town's deposits from 15 bps to 12 bps effective September 1, 2021. The CT STIF rate in September was 9 bps.

The Town also maintains a bank CD Program in which it replaces maturing CDs with a like-value new CDs. The total value of the program, including pending rollovers, was \$21.1 million at September 30. As with the bank deposits, the yields of the replacement CDs have been mostly declining since July 2019.

Investment options were discussed. Although, it was noted that foreign banks were paying higher rates, the Treasurer and the Committee expressed hesitancy to compromise on investment safety. Ms. Yemets reported that some credit union investments promise slightly higher earnings, are protected by the National Credit Union Share Insurance Fund and have IDC ratings. Potentially, they could be introduced into the CD Program as higher yielding alternative to the bank CDs. However, she suggested that further research on this investment option is conducted to ensure the CD Program stays in compliance with the General Statutes of Connecticut. Concerned about prospective inflation, IAC members suggested that the term of replacement CDs might be reduced (to possibly 6 months) from the original term of the maturing CDs.

In view of the foregoing, the Committee supported a reduction of interest income to be budgeted for FY23 to \$250,000.

6. Old Business

- Update on OPEB Trust outside investment manager process.

7. New Business

None

6. Adjournment

Ms. Kreuzer made a motion, seconded by Mr. Duus, to adjourn the Regular Meeting of the Investment Advisory Committee at 10:37 A.M, the Committee voted 4-0-0. Motion carried.

Next meeting is scheduled on November 9, 2021. Format and location to be determined.

Catherine Sidor, Recording Secretary

Andreas Duus, Chair, Investment Advisory Committee

Schedule of future Investment Advisory Committee Meetings for calendar year 2021

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