

1. BET Investment Advisory Comm. Meeting Agenda

Documents:

[BET_IAC_MEETING_AGENDA_02-13-20.PDF](#)

2. SUB TO APP BET Investment Advisory Comm. Meeting Minutes

Documents:

[SUB_TO_APP_BET_IAC_MEETING_MINUTES_02-13-20.PDF](#)



TOWN OF GREENWICH

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

**Thursday, February 13, 2020
10:00 A.M.**

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

AGENDA

1. Approval of the BET Investment Advisory Committee Meeting Minutes of January 9, 2020
2. Review and approve actions of the February 11, 2020 OPEB Trust Board Meeting
3. Review of OPEB Trust Portfolio investment management performance and funding policy/investment guidelines
4. Review actual / forecasted General Fund monthly cash position for Fiscal Year 2020
5. Discussion of topics and review of schedule of future IAC meetings
6. New Business
7. Old Business
8. Adjournment

Next Meeting: Thursday, March 12, 2020 at 10:00 A.M. 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
Investment Advisory Committee Meeting Minutes**

Thursday, February 13, 2020
Mazza Conference Room, 1st Floor, Town Hall

Present:

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

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

The meeting was called to order at 10:04 A.M.

1. Acceptance of the BET Investment Advisory Committee Meeting Minutes

Upon a motion by Mr. Duus, seconded by Mr. Drake, the Committee voted 2-0-1 (Abstain: Weisbrod) to accept the Minutes of the IAC Meeting of January 9, 2020 as amended. Motion Carried.

2. Review and Approve Actions of the OPEB Trust Board Meeting

During the OPEB Trust Board's meeting of February 11, 2020, the Board took two actions:

First Action

The OPEB Trust Board voted 2-1-0 to increase the Total OPEB Trust Portfolio equity allocation to 65% by selling a sufficient amount of U.S. Treasury Bills and investing the proceeds into SPDR S&P 500 ETF Trust (SPY).

Second Action

The OPEB Trust Board voted 2-1-0 to further increase the Total OPEB Trust Portfolio equity allocation to 70% by selling a sufficient amount of U.S. Treasury Bills and investing the proceeds into SPDR S&P 500 ETF Trust (SPY). The trades would be executed if the equity markets decline, with Mr. Pellegrino being delegated the authority to monitor the market movement, communicate and agree upon the timing of the trades with Mr. Stricker and Mr. Ferdinand, and then instruct the Treasurer to place the aforementioned trades.

The IAC felt that positioning the OPEB Trust Portfolio to have a 70% exposure to equities was appropriate; however, Committee Members expressed concerns about lack of the proper framework around the execution of OPEB Trust Board's second action. The discussion evolved into a more general debate regarding the OPEB Trust Portfolio management style/structure. The Committee decided to take a vote on the OPEB Trust Board actions in two separate motions:

Upon a motion by Mr. Duus, seconded by Mr. Drake, the Committee voted 3-1-0 to approve the first action of the OPEB Trust Board stated above. (Opposed: Weisbrod) Motion carried.

Upon a motion by Mr. Duus, seconded by Mr. Drake, the Committee voted 0-4-0 regarding the second action of the OPEB Trust Board stated above. Motion failed.

3. Review OPEB Trust Portfolio investment management performance and funding policy/investment guidelines

The Committee discussed BET policy for the OPEB Trust Board to submit an annual report to the IAC with the Board's outlook and expectations for asset class performance, reasoning behind their asset allocation recommendation, and explanation of how that allocation on a blended basis is expected to achieve the investment objective of the Trust. The report is expected to be submitted to the IAC at the next OPEB Trust Board meeting.

The Committee reviewed the role the IAC should play in overseeing all of the Town's investments and keeping the BET informed. It was considered that an annual IAC report which would include comments on both OPEB and the Retirement Plan should be presented to the BET. It was also decided that Mr. Mynarski would invite the Town's Actuary, Greg Stump of Boomershine Consulting Group, who prepares the Town's Actuarial Report, to attend an IAC meeting to discuss the methodology used to formulate the assumptions.

4. Review actual/forecasted General Fund monthly cash position for Fiscal Year 2020

Ms. Yemets commented that the General Fund balance on 1/31/2020 was \$179.4 million. She attributed most of the General Fund's January cash inflow of \$134.3 million to the tax collections. Disbursements included debt service payments totaling \$42.9 million. The returns from depository banks on cash allocations experienced minimal change.

Focusing on the Cash Report, Ms. Yemets noted that the General Fund actual outflows from July 2019 through January 2020 were close to what was forecasted in July, but inflows were slightly less than forecasted. After reviewing actuals from the first seven months of the current fiscal year, Ms. Yemets slightly adjusted projections for the period from February to June 2020.

5. Discussion of topics and review of schedule of future IAC meetings

- Changes to the IAC Meeting schedule
 - Date of December 2020 meeting (TBD)
 - Start time of May meeting changed to 10:45 A.M. (change start time of preceding OPEB meeting to 9:00 am) [Subsequent to this meeting, the date of the May meeting was changed to May 20th at 10:00 am, and the OPEB Trust Board Meeting will remain at 8:30 am on May 7th.]

6. New Business

- CD Program investment limit in TOG Resolution Concerning Cash Management

The Committee discussed whether the intent of the Resolution Concerning Cash Management was to allow for interest earned by the CD Program to be reinvested. Currently, the total investment in out-of-state bank CDs is limited to \$20.0 million (excluding accrued interest), however, with interest being reinvested, the CD Program has grown to almost \$20.9 million. It was suggested to allow for interest reinvestment by

changing the maximum total aggregate dollar amount that can be invested in these CDs from \$20 million to \$25 million.

Upon a motion by Mr. Weisbrod, seconded by Mr. Drake, the Committee voted 4-0-0 to revise the Resolution Concerning Cash Management to increase the CD Program cap from \$20 million to \$25 million, and recommend the revised text to the full BET for their approval. Motion carried.

7. Old Business

- **Tax-exempt bond arbitrage regulations**

Mr. Mynarski assured the Committee that the Town's Bond Counsel monitors that the Town of Greenwich is in compliance with the Arbitrage Regulations and meets an arbitrage rebate exception.

8. Adjournment

The Committee voted unanimously to adjourn the meeting of the IAC at 11:27 A.M. Motion carried.

Next Meeting: Thursday, March 12, 2020 at 10:00 A.M. in the Mazza Meeting Room.

SUBJECT TO APPROVAL

Catherine Sidor, Recording Secretary

Andreas Duus, Chair, Investment Advisory Committee

Schedule of Investment Advisory Committee Meetings

March 12, 2020 (Thursday) – Mazza Conference Room, 1st Floor
April 7, 2020 (Tuesday) – Human Services Conference Room 3rd Floor
May 7, 2020 (Thursday) – Mazza Conference Room, 1st Floor 10:45 A.M.
[May meeting subsequently changed to May 20, 2020 (Wed) at 10:00 A.M. in Mazza Room.]
June 11, 2020 (Thursday) – Mazza Conference Room, 1st Floor
July 16, 2020 (Thursday) – Mazza Conference Room, 1st Floor
August (no meeting)
September 17, 2020 (Thursday) – Mazza Conference Room, 1st Floor
October 15, 2020 (Thursday) – Mazza Conference Room, 1st Floor
November 10, 2020 (Tuesday) – Human Services Conference Room 3rd Floor
December TBD