

1. BET Investment Advisory Comm. Meeting Agenda 11-10-2022

Documents:

[BET IAC MEETING AGENDA 11-10-2022.PDF](#)

1.I. SUB_TO_APP_BET IAC And OPEB Meeting Minutes_10-13-2022

Documents:

[SUB_TO_APP_BET IAC AND OPEB CONCURRENT MEETING MINUTES_10-13-2022.PDF](#)

1.I.i. Retirement Board_Amendment Proposed To Article 14 In Town Charter

Documents:

[PROPOSED VS. CURRENT \(LANDSCAPE\).PDF](#)

1.I.i.1. Retirement Board Minutes, Sept 29, 2022

Documents:

[02A RETIREMENT BOARD MINUTES 9.29.22 - FOR BOARD APPROVAL.PDF](#)

2. SUB_TO_APP_BET IAC Meeting Minutes_11-10-2022

Documents:

[SUB_TO_APP_BET IAC MEETING MINUTES_11-10-2022.PDF](#)



TOWN OF GREENWICH

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

Thursday, November 10, 2022 – 10:00 A.M.

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

AGENDA

1. Approval of the BET Investment Advisory Committee and OPEB Trust Board Concurrent Meeting Minutes of October 13, 2022
2. Update on the OPEB Trust Portfolio market value as of October 31, 2022
3. Review of Treasury Reports:
 - Town's cash position and invested cash allocations on October 31, 2022
 - Bank interest rates and earnings credit rates
 - Investments in U.S. Treasury Bills
 - General Fund monthly cash flows: actual for October 2022 and projected for the remainder of fiscal year 2023
4. Old Business
5. New Business
6. Adjournment

Next Meeting: Tuesday, December 6, 2022 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 demetria.nelson@greenwichct.org as soon as possible in advance of the event.

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

**Concurrent meeting of
Investment Advisory Committee (IAC) and
Other Post-Employment Benefits (OPEB) Trust Board
Meeting Minutes**

October 13, 2022

Present:

IAC Members: William Drake, Chairman, Harry Fisher, Miriam Kreuzer,
David Weisbrod

OPEB Trust Board: Joseph Pellegrino, Chairman, William Drake, Miriam Kreuzer

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

Guests: Brian Binkley, Vanguard; Gregory Stump, Boomershine Consulting
Group, LLC (by phone through Agenda item 2)

BET Members: Dan Ozizmir, BET Chairman; Leslie Tarkington (through Agenda item 2)

The meeting was called to order at 10:03 A.M.

1. Approval of the BET IAC Meeting Minutes of September 14, 2022

Mr. Fisher made a motion to approve the September 14, 2022 meeting minutes, seconded by Ms. Kreuzer. The vote was 4-0-0 to approve the September 14, 2022 meeting minutes.

2. Discussion of the discount rate and health care cost inflation – Gregory M. Stump, Boomershine Consulting Group, LLC

Mr. Mynarski initiated the discussion of the OPEB Trust discount rate, which is currently at 6.75%. Mr. Binkley stated that the expected median return for the OPEB Trust Portfolio is 6.91% based on Vanguard's 30-year capital market assumptions, therefore 6.75% is reasonable. Mr. Stump stated he agrees the 6.75% rate is reasonable and does not think an increase to 7.00% is a good idea. When questioned by Mr. Pellegrino for his view on conservative discount rates, Mr. Stump replied that getting closer to 6.00% would be the most conservative, but he thinks anywhere from 6.00% to 6.75% is appropriate. Mr. Stump stated that in the long term, he is expecting healthcare cost inflation estimates to stay roughly the same as past analyses (4.00% – 4.25%), but in the short term, healthcare rates are expected to increase due to impacts of COVID. (Mr. Stump stated his formal healthcare cost analysis will be completed in the next few weeks.) Discussion ensued around the impact of changing the discount rate, changing the amortization period of the unfunded liability, and changes to healthcare costs. Mr. Stump reviewed prior year sensitivity analyses with the committee. No motion was made by the OPEB Trust Board to make any changes at this time.

Mr. Weisbrod made a motion to change the amortization period of the OPEB unfunded liability from 17 years to 15 years, to thereby increase the funding ratio of the current outstanding liability. Motion was seconded by Ms. Kreuzer. After further discussion, motion failed 1-3-0.

3. Review of market conditions, OPEB Trust Portfolio performance results and asset allocation as of September 30, 2022 – Brian D. Binkley, Vanguard Institutional Advisory Services

Mr. Binkley reviewed the OPEB Trust Portfolio performance results for the three-months and one-year periods ended September 30, 2022. Through September, the OPEB Portfolio is down 5.74% for the quarter vs. 5.43% for composite benchmark, and for the one-year period, down 17.53% versus 15.97% benchmark.

Current returns are dismal, with the year off to one of the worse starts ever due to terrible market conditions and inflation rates. Since the portfolio is indexed, the returns mirror overall markets which are down significantly. US stocks are down 24%, non-US stocks down 26%, US Bonds down 14% which is very unusual to correlate with equities, as normally would be an inverse relationship. Non-US bonds are down 12.8%, showing tightening overseas as well.

Mr. Binkley reviewed a schedule of US equity valuations since 1950, noting that valuations are 'returning to earth', and in Vanguard's opinion, the market is on average now valuing stocks closer to fair value.

4. Discussion of the RFP for actuary services for the OPEB Trust

Mr. Mynarski stated the Town Charter requires that the Retirement Board do an annual actuary study, and a 5-year experience study, and the OPEB Trust will piggy-back on this process. Mr. Mynarski will issue an RFP to Purchasing in January, to hire or re-hire an actuary, effective July 1, 2023. The RFP will request that bidders bid on either the Retirement Plan, the OPEB Trust Plan, or both (either independently or combined). The RFP will request replies from bidders by the end of February/early March, with the decision being made by the end of May. Recommendations will come through the IAC, and Pete is requesting a volunteer to be on the review committee for OPEB RFPs. Ms. Kreuzer volunteered to be on the Actuary RFP Review Committee.

5. Review of Treasury Reports:

• **Town's cash position and invested cash allocations on September 30, 2022**

Ms. Yemets presented the September 30, 2022 Treasurer's Report, showing a General Fund cash balance of \$209,648,973, and made several comments regarding its contents. The total Town Cash position, including OPEB (excluding Retirement) was 344,413,038. She noted that less than 3% of all cash (excluding Retirement and OPEB) is held at the banks (JPM, TD, Webster), with the majority of cash funds invested in US Treasuries (49%), CT STIF (41%), and the CD Program (7%).

In addition, Ms. Yemets provided a schedule of invested cash allocations, and discussed the interest rates, noting that interest rates continue to change rapidly.

- **Bank interest rates and ECR**

Ms. Yemets reviewed interest rates and earnings credit rates for each bank, Certificates of Deposit and U.S. Treasuries, noting that interest rates have increased at all banks, and are being monitored regularly. The ECR has increased at JP Morgan Chase, and is monitored at all banks used by the Town, in order to maximize the benefit of ECR/Interest rates.

- **Investments in U.S. Treasury Bills**

Ms. Yemets reviewed a schedule of all US Treasury Bills investments which total \$109.0 million in the General Fund as of September 30th, showing trade date, maturity date, quantity, price and yield to maturity for each bill. The schedule also showed US Treasuries purchased in the Capital Projects Fund (\$24.0 million), ARP COVID Recovery Fund (\$15.0 million), Capital Non-Recurring Fund (\$2.3 million) and Sewer Maintenance Fund (\$2.4 million).

Ms. Yemets noted that an additional purchase of US Treasuries was made from the General Fund in early October at a rate just over 4% (first time over 4%). In addition, the ARP COVID Recovery Fund had one bond mature in early October, and additional COVID funds were received from the State, so an additional \$10 million of US Treasuries were purchased in early October. Therefore, the COVID Recovery Fund has a total of just over \$20 million invested in US Treasuries as of today, maturing in December 2022 & January 2023.

- **CD Portfolio holdings**

Total CD maturities were \$20,983,000 as of September 30, 2022, with \$500,000 of that total invested in US Treasuries. FNC has discretion to roll over maturing CD's within guidelines, but they contact Ms. Yemets whenever large amounts are maturing, and they are in regular contact. Portfolio yields range from 10 bps to 4.3%, all IDC rankings are 165 or higher, and all positions are below \$250,000.

- **General Fund monthly cash flows: actual for September 2022 and projected for the remainder of fiscal year 2023**

Ms. Yemets presented the Cash Report for General Fund cash flows and balances through September 30, 2022. Tax collections were \$4.7 million in September. Conveyance tax continued to run relatively high at \$638,762, and Building Permits were \$606,934 in September. Total inflows were \$20.7 million, and total outflows were \$34.3 million, for net cash outflow of \$13.6 million in September.

Ms. Yemets reviewed the FY 2023 cash flow projections by month, noting they were prepared based on the FY 2023 Budget, taking into consideration actual results to date and other known factors.

6. **Old Business** – none

7. **New Business** – none

8. **Adjournment**

Upon a motion by Mr. Weisbrod, seconded by Mr. Drake, to adjourn the Concurrent Meeting of the IAC and OPEB Trust Board at 11:23 A.M, the Committee voted 4-0-0 to adjourn.

Joan Lynch, Recording Secretary

William Drake, Chairman, Investment Advisory Cmte

The next meeting of the IAC will be held on Thursday, November 10, 2022 at 10:00 A.M. in the Mazza Room.

SUBJECT TO APPROVAL

Proposed Charter Language:

Sec. 189. Restoration of Beneficiaries to Membership.

If a disability beneficiary is restored to, or is in, active service at a compensation not less than his earnable compensation at retirement or if any other beneficiary is restored to active service, his retirement allowance shall cease during such period of active service.

If returning to active service before the age of fifty (50) in the same collective bargaining unit or other employment group from which he retired, he shall again become a member of the Retirement System, and he shall contribute thereafter at the contribution rate in effect at the time of his reinstatement. Notwithstanding anything in this Article to the contrary, any prior service certificate on the basis of which his service was computed at the time of his retirement shall be restored to full force and effect, and in addition upon his subsequent retirement he shall be credited with all his service as a member.

Nothing in this Article shall be interpreted to preclude any beneficiary restored to active service but not eligible for membership in the Retirement System from eligibility for other retirement benefits not governed by this Article.

Michael Wacek
Deleted: Current

Michael Wacek
Deleted: . He

Michael Wacek
Deleted: his original

Michael Wacek
Deleted: If a beneficiary is restored to active service after the attainment of the age of fifty (50), his pension upon subsequent retirement shall not exceed the pension which he was receiving immediately prior to his last restoration to membership and the pension that he would have received on account of his service since his last restoration had he entered service at that time as a new entrant.

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD
REGULAR MEETING**

Thursday, September 29, 2022 Minutes - Mazza Room

In attendance were:

Members:

Michael Wacek, Chairman
Pamela Frederick
Andrew Greco
Peter Mynarski
Kevin Coyner

Staff:

Ken Berkson, Retirement Board Administrator
Daniela Barcello, Retirement Coordinator
Mary Pepe, Director, Human Resources
Aamina Ahmad, Town Attorney - phone

BET:

Laura Erickson, Leslie L. Tarkington, Miriam Kreuzer,
Dan Ozizmir, Henry (Harry) J. Fischer II

RTM:

Scott Kalb, (D-7), Public Works

Neuberger Berman:

Michael Savinelli, Vice President, Institutional Client
Advisor

Boomershine Consulting Group:

Greg Stump, Chief Actuary - phone

CALL TO ORDER

The meeting of the Retirement Board was called to order at 8:00 A.M.

Chairman Wacek communicated that Mr. Coyner will need to leave the meeting at 9:45 A.M., therefore, if necessary, agenda items will be reordered where votes are necessary.

APPROVAL OF MINUTES

Regular Meeting Minutes July 28, 2022

Upon a motion by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the Minutes of the Regular Retirement Board Meeting of July 28, 2022. Motion carried.

INVESTMENT AND PERFORMANCE – Neuberger Berman (NB)

Liquidity Analysis (Follow-up discussion)

Chairman Wacek commented that this is a recap from the July Meeting. Also, since Mr. Coyner initially raised this issue, Chairman Wacek wanted to ensure he is comfortable with the findings.

Mr. Savinelli explained that the purpose of this analysis is to review the solvency of the Plan and ability to make benefit payments in a stress-test scenario. He continued that NB completed a current portfolio analysis using three historical market scenarios (Dot-Com Bubble, Financial Crisis and Covid-19). Mr. Savinelli showed that NB's general findings are that there is currently enough liquidity in the Plan to satisfy its' obligations if these stress-test scenarios were to happen at this time.

The Board discussed further and their ability to manage the portfolio and liquidity with a future situation. Mr. Coyner expressed that this presentation assisted in making him feel more comfortable with the illiquidity of the Plan's Private Market assets.

Performance Report for month ending August 31, 2022

Mr. Savinelli presented the Plan returns of -2.48% (1-month), -2.61% (3-Month) and 0.38% (Fiscal YTD), which were slightly below the Investment Policy Benchmarks of -2.11%, -2.41% and 1.38%, respectively. He then commented that the Calendar YTD, 1-year and NB inception to date returns have all outperformed their respective Policy Benchmarks.

Mr. Savinelli continued, stating that assets as of August 31st are \$635M and currently estimates a loss of -4.0% for the month of September.

NB has received 88% of the Private Market returns as of June 30, 2022, updating the June 30th asset value to \$603M from \$610M. Mr. Savinelli stated that the remaining 12% of the Private Market assets account for approximately \$24M and estimates another \$2-3M decrease in assets. Chairman Wacek confirmed with Mr. Savinelli that \$600M is a good figure to estimate the final "trued-up" value of assets as of June 30, 2022.

NEW BUSINESS

Town Charter Article 14, Section 189 Amendment (First Read)

Chairman Wacek referred to the proposed Charter amendment included in the Board pack for a first read. He summarized the context of this discussion, where approximately a year ago Mr. Coyner commented that the language in Section 189 of Article 14 of the Town Charter does not work, due to the Plan now being closed to all new employees. Mr. Coyner has also commented that this section requires retirees to stop receiving their Plan payments if they are re-hired by the Town. He believes this provision requiring the suspension of pension payments should now be removed, as such re-hire would not in most circumstances be a participant in the Plan.

Chairman Wacek also commented that Mr. Coyner's thoughts on benefit payments is a significant HR policy change, which he does not believe it is appropriate for the Board to take the lead on. Instead, the impetus for such a change should come from the First Selectman and his HR team.

Chairman Wacek noted that there have been inconclusive discussions off and on over the past year on this topic, and in order to move forward he is now presenting proposed language for a first read that would simply update the language to properly reflect the impact of the Plan being closed to new entrants. The proposed language retains the existing provision that a retiree's pension payments stop if and when he or she comes back to full-time work for the Town.

He then explained that the Charter states that the Board owns this section, but any revision would need to be approved by the BET (this section does not require RTM approval). Chairman Wacek then asked the Board for comments.

Mr. Coyner stated that he did not have specific proposed language but circulate an amendment that would include language allowing a retiree to continue to collect a Plan benefit if re-employed by the Town and participating in the Defined Contribution (DC) Plan. He believes that is not a policy change but a change due to not being enrolled in the Plan and accruing an additional Plan benefit. Mr. Coyner continued with what he believes are the benefits to the Town in allowing this. Mr. Greco commented that he believes Mr. Coyner's suggested change will also save the Town money in health benefits, by only paying for one person, instead of two.

Chairman Wacek summarized that today was an initial read and that ultimately the Board will need to discuss and decide if they are just going to update the section language due to the Plan being closed or also update to allow retirees to collect their Plan benefit while re-employed with the Town and in the DC Plan. Chairman Wacek reiterated his view that the Town administration (HR, Office of First Selectman) should take the lead in proposing an HR policy change like the one Mr. Coyner is suggesting.

Chairman Wacek wrapped up the discussion of this item as a first read and said the Charter amendment he was proposing will be brought back in the future for a final discussion and vote.

Actuarial Assumptions – Discount, Inflation and Salary rates - Boomershire, Greg Stump

Chairman Wacek confirmed with Mr. Stump that he needs the Board to confirm the Rate of Return and Inflation Rate assumptions to utilize for the July 2022 Actuarial Valuation.

Chairman Wacek commented that the Rate of Return assumption for the July 2021 Actuarial Valuation was 6.0%. He opened the discussion to the Board who discussed and commented on their thoughts on this assumption.

Upon a motion by Mr. Coyner, seconded by Ms. Frederick, the Board voted 5-0-0 to continue with the Rate of Return assumption of 6.0%. Motion carried.

Chairman Wacek then turned the discussion over to Mr. Stump for his presentation on the Inflation Rate assumption.

Mr. Stump began with and update on the July 2022 Actuarial Valuation process, stating it was on schedule. He also thanked Ms. Barcello and Mr. Berkson for their assistance with their data questions.

Mr. Stump then began his presentation with a 10-year inflation rate history. He continued, stating that the Board will need to discuss if a higher Inflation Rate assumption is warranted for the long-term or short-term; and for both salaries and cost-of-living adjustments (COLAs). Regarding salary increases, he stated that with the current Collective Bargaining Agreements (CBAs) and their projected salary increases, compared to the current Salary Increase assumption, a higher assumption rate does not look necessary. Regarding COLAs, he stated the current assumption is 2.15% based on simulated COLAs, the Plan's COLA policy and the recent experience study. Mr. Stump presented that a long-term change to 3.0% would increase the Actuarial Accrued Liability (AAL) by \$39M, Normal Cost by \$400K and expected annual contribution by \$4.9M. A short-term change, such as 3.0% grading down to 2.15% over 4 years would increase the AAL by \$3.5M, Normal Cost by \$100K and expected annual contribution by \$450K.

Chairman Wacek expressed his support for a short-term change in the assumption. He stated this was based on the current environment where he did not want to do nothing and play catch-up later; and wanted to be pro-active but not go overboard. Ms. Frederick commented on a slightly longer period for the "short-term" 3.0% assumption, lasting two years instead of one. Mr. Coyner commented that he believes inflation will continue and discussed the possibility of this to be reviewed next year. Chairman Wacek confirmed that is possible. Mr. Mynarski asked if we should not be reacting to a possible one-year ("spike") of inflation and look at the long-term projections, such as is done for the Rate of Return assumption. .

Mr. Savinelli was asked about NB's inflation rate assumption. He communicated that the latest assumption (from 10 months ago) was 2.25% and the thought that next year's estimate will be slightly higher. Chairman Wacek reminded everyone that the retiree contractual COLAs have a 3.0% annual maximum, except for the Fire Fighters.

Mr. Stump also discussed the new Actuarial Standard of Practice (ASOP) #4 that will begin for Actuarial Reports in 2023. Chairman Wacek confirmed with Mr. Stump that this is only an additional disclosure that will be in the report.

Upon a motion by Mr. Coyner, seconded by Mr. Greco, the Board voted 2-3-0 (Opposed: Wacek, Mynarski, Frederick) to update the Inflation Rate assumption for contractual COLAs to 3.0% for the next two years and then 2.5% going forward. Motion failed. Chairman Wacek, Mr. Mynarski and Ms. Frederick voted against because they thought the proposed inflation rate assumption was too high.

Upon a motion by Ms. Frederick, seconded by Mr. Wacek, the Board voted 4-0-1 (Abstain: Mynarski) to update the Inflation Rate assumption for contractual COLAs to 3.0% for the next two years and then grading down to 2.15% over the next three years. Motion carried.

Mr. Coyner then asked about the salary increase assumption. He commented that he expects the increases in the next round of CBAs to be greater than 2.5% and it is short sighted not to discuss this assumption now. Chairman Wacek asked Mr. Stump's opinion and he deferred back to the Board as they would have more knowledge on the Town's CBA process. Chairman Wacek stated he was good with the current 2.5% assumption and it can be addressed next year. Chairman Wacek added, if incorrect it would be reflected in next year's valuation in the experience gains/losses. Mr. Stump also confirmed the next experience study will be 2025.

APPROVAL OF RETIREMENTS

The Board reviewed the September 2022 (1 Retro to August 2022) retirements of the individuals listed below:

Conelias, Carolyn
White, Linda
Zygmunt, Deborah
Scalfani, Raymond
White-Lohr, Grace (Retro)

Upon a motion by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the retirement of the individual listed above. Motion carried.

The Board reviewed the October 2022 retirements of the individuals listed below:

Torhan, Barry
DiPaola, Maria
Calcavecchio, Richard

Upon a motion by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the retirement of the four individuals listed above. Motion carried.

EXECUTIVE SESSION

Chairman Wacek commented that the Board Members had previously received copies of the applicable documents and asked if any Members wanted to go into Executive Session to discuss. The Board agreed there was no need for an Executive Session.

Upon a motion by Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the Accidental Disability Retirement for Ms. Dorrette Williams. Motion carried.

APPROVAL OF PAYMENTS

Routine Disbursement/Refunds

July 2022

Town of Greenwich, Connecticut			
Retirement July 2022			
Payments to be Approved			
Reserve Fund			
V	Pensioners	July Payroll	\$3,151,525.89
			-
		Pension Payroll Fund Total	\$3,151,525.89
Expense Fund			
SV	ASPPA	Continuing Education	\$981.00
	Iron Mountain	Storage & Retrieval	\$207.73
	Fed Ex	TV Letters	\$37.34
		Expense Fund Total	\$1,226.07
Payroll			
PV	Staff	July Payroll	<u>\$15,000.00</u>
		Staff Payroll Fund Total	\$15,000.00
		Grand Total	<u>\$3,167,751.96</u>

August 2022

Town of Greenwich, Connecticut			
Retirement August 2022			
Payments to be Approved			
Reserve Fund			
V	Pensioners	August Payroll	\$3,191,508.05
			-
		Pension Payroll Fund Total	\$3,191,508.05
Expense Fund			
SV	Neuberger Berman	2nd Q'22 (OCIO- \$241,771.76; Benefit Payments \$12,099.12)	\$253,870.88
	Empower/Milliman	Administration & Recordkeeping (1st Q'22 - \$53,463.10; 2nd Q'22 - \$53,975.00)	\$107,438.10
	Boomershine	Valuation Progress Billing	\$2,240.00
	Shipman & Goodwin	Missed contributions correction plan	\$472.50
	Iron Mountain	Storage & Retrieval	\$207.73
	WB Mason	Office Supplies	<u>\$126.63</u>
		Expense Fund Total	\$364,355.84

Payroll			
PV	Staff	August Payroll	<u>\$16,110.00</u>
		Staff Payroll Fund Total	\$16,110.00
		Grand Total	<u>\$3,571,973.89</u>

Upon a motion by Mr. Mynarski seconded by Mr. Greco, the Board voted 5-0-0 to approve the July and August 2022 disbursements. Motion carried.

Military Buy Back

None

NEW BUSINESS

Missed Employee Contributions & Deficiencies – Voluntary Compliance Program (VCP) – Kenneth Berkson

Chairman Wacek referred the Board to the Presentation and Shipman & Goodwin’s letter in the Board pack. He communicated that some Plan participants have deficiencies that have arisen due to error, as well as some small (less than \$250) deficiencies that we are unsure as to if they are errors or not. He also noted that the \$250 amount was determined based on IRS de-minimus guidelines, where the Plan can waive such owed amounts. Chairman Wacek summarized the suggested fixes to these deficiencies. These fixes would include for participants whose errors are over \$250, a one-time option to pay off their deficiency through payroll or continue with the current process of electing at commencement of Plan benefits. Also, deficiencies less than \$250 would be waived, with participants receiving their fully contributed benefit. This would be completed through the IRS VCP. Mr. Berkson added that the future process for missed contributions due to error will be, upon discovery of the error, to deduct in the same manner they were missed (e.g. if 5 payrolls were missed, they will be recouped over the next 5 payrolls). He also added that there are currently 233 participants (active and terminated) with deficiencies totaling over \$7.2M. The total amount of deficiencies less than \$250 totals about \$5K for 61 participants. Shipman & Goodwin will handle the VCP filing and communicated that the Plan should wait until IRS approval (6+ months) to proceed. Chairman Wacek then complimented Ms. Barcello and Mr. Berkson for the job they did.

Upon a motion by Mr. Coyner seconded by Ms. Frederick, the Board voted 5-0-0 to approve filing under the IRS Voluntary Compliance Program (VCP) to fix Missed Employee Contributions, including the waiver of deficiencies under \$250. Motion carried.

Board Meeting Calendar for 2023

Upon a motion by Mr. Mynarski, seconded by Ms. Frederick, the Board voted 4-0-0 (Absent: Coyner) to adopt the proposed the meeting schedule for CY2023. Motion carried.

Actuarial, Investment and Administration Services RFP Planning

Chairman Wacek communicated that Actuarial, Investment and Recordkeeping Services contracts are all up for renewal as of July 1, 2023, that will require RFP Planning. The Plan is to form committees to review the RFP and evaluate the responses. Mr. Mynarski further discussed the process, including both a bundled and separate product, specifically for OCIO, custodian and paying agent services. Chairman Wacek discussed a possible waiver for an RFP for the recordkeeping services, but with a requirement of a very good pricing commitment from Empower/Milliman.

PLAN ADMINISTRATOR REPORT

Mr. Berkson previously provided a written report and highlighted the following.

- Silver Shield CBA Updates:
 - Retro Pay to be completed by Payroll (Completed)
 - Data to be completed and formatted by Retirement Office for Milliman in September
 - Retiree's since July 2021 benefit updated by Milliman in October/November
- Valuation Data, as commented by Mr. Stump is completed.
- Prior 1099R issue for Accidental Disability retiree regarding non-taxable amounts. Retiree has made request for re-imbusement of tax overpayments. We have received documentation from the retiree and are now working on a utilizing a qualified tax accountant that has been recommended by the Legal Dept. to review and comment.
-

ADJOURNMENT

Upon a motion by Ms. Frederick, seconded by Mr. Greco, the Board voted 4-0-0 (Absent: Coyner) to adjourn the meeting at 10:14 A.M. Motion carried.

Respectfully submitted,

Kenneth Berkson, Retirement Administrator

Michael Wacek, Chairman

Next Meetings

Regular Meeting, Thursday, October 27, 2022
Regular Meeting, Thursday, December 8, 2022
Regular Meeting, Thursday, January 26, 2023

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

**INVESTMENT ADVISORY COMMITTEE (IAC)
MEETING MINUTES**

November 10, 2022

Present:

IAC Members: William Drake, Chairman, Harry Fisher, Miriam Kreuzer,
David Weisbrod

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

BET Member: Dan Ozizmir, BET Chairman

The meeting was called to order at 10:00 A.M.

1. Approval of the BET IAC Meeting Minutes of October 13, 2022

Mr. Fisher made a motion to approve the October 13, 2022 meeting minutes, seconded by Ms. Kreuzer. The vote was 4-0-0 to approve the October 13, 2022 meeting minutes.

2. Update on the OPEB Trust Portfolio market value as of October 31, 2022

Ms. Yemets reviewed the OPEB Trust Portfolio performance results for the month of October and fiscal year-to-date. The OPEB Trust Portfolio gained \$1.6 million or 4.38% during the month and is down \$552K for the four months ended October 31, 2022. The Portfolio's ending market value was \$38,023,361. The best performing mutual fund within the Portfolio for October was Vanguard Total Stock Market Index Fund, with a return of 8.18%, and second best was the Total International Stock Index Fund with a return of 3.43%. US Fixed Income lost 1.37% and Int'l Fixed Income generated a return of 0.48%.

3. Review of Treasury Reports:

• **Town's cash position and invested cash allocations on October 31, 2022**

Ms. Yemets presented the October 31, 2022 Treasurer's Report, showing a General Fund cash balance of \$176,580,117, and made several comments regarding its contents. The total Town Cash position, including OPEB (excluding Retirement) was \$313,643,643. She noted that October appreciation for the General Fund was \$366,332, and FYTD General Fund appreciation was \$1.3 million. Less than 6.1% of all cash (excluding Retirement and OPEB) is held at the banks (JPMorgan Chase, TD, Webster), and the majority of total cash funds are invested in US Treasuries (53.6%), CT STIF (32.6%), and the CD Program (7.7%).

In addition, Ms. Yemets provided a schedule of invested cash allocations, and discussed the interest rates, noting that interest rates continue to change rapidly.

- **Bank interest rates and earnings credit rates**

Ms. Yemets reviewed interest rates and earnings credit rates for each bank, Certificates of Deposit and U.S. Treasuries, noting that bank interest rates have not changed since the end of October but will be changing soon, and ECR rates have remained unchanged as well. STIF interest went from 2.51% in September to 3.13% in October, and as of yesterday the STIF rate was at 3.76%. CD rates are going up, and almost catching up with US Treasuries rates, with October rates at 3.84% for 3-month CD, 4.35% for 6-month CD, and 4.60% for 12-month CD. As of yesterday, these rates were all slightly higher. US Treasury rates have also been increasing, with the 3-mo rate at 4.22%, 6-months at 4.57%, 12-months at 4.66% and 10-year at 4.10% on October 31, 2022. All the rates are being monitored regularly in order to maximize the benefit of ECR/Interest rates.

- **Investments in U.S. Treasury Bills**

Ms. Yemets presented a schedule of all US Treasury Bills investments which total \$105.0 million in the General Fund as of October 31st, showing trade date, maturity date, quantity, price and yield to maturity for each bill. The schedule also showed US Treasuries purchased in the Capital Projects Fund (\$24.0 million), ARP COVID Recovery Fund (\$15.0 million), Capital Non-Recurring Fund (\$2.3 million) and Sewer Maintenance Fund (\$2.4 million).

Ms. Kreuzer asked that the Tax Department be reminded to send out the December/January Tax bills as early as possible. Ms. Yemets said she would follow up with Heather Smeriglio, Tax Collector, to ensure the new bills will go out as early as possible.

- **General Fund monthly cash flows: actual for October 2022 and projected for the remainder of fiscal year 2023**

Ms. Yemets presented the Cash Report for General Fund cash flows and balances through October 31, 2022. Tax collections were \$2.5 million in October. Total inflows for the month were \$7.1 million, and total outflows were \$40.2 million, for a net cash outflow of \$33.1 million in October.

4. **Old Business** – none

5. **New Business**

Mr. Drake made a motion, seconded by Ms. Kreuzer, to add the following item to this meeting's agenda: **Proposed change to Article 14, Section 189 of the Town Charter**. The vote was 4-0-0 to approve.

Proposed Change to Town Charter Article 14, Section 189

Mr. Mynarski distributed Section 189 [Restoration of Beneficiaries to Membership] of Article 14 [Retirement System] of the Town Charter, with red-lined proposed changes, and provided background information pertaining to retired individuals returning to active service. The current language of this Section of the Charter is outdated due to the Plan being closed to all new employees. Since the changes are only housekeeping and language clean-up, the BET has authority to approve. (Mr. Mynarski explained that the

BET only has authority to make changes to three sections of the Charter, and this is one of those sections.)

Mr. Fisher made a motion, seconded by Mr. Weisbrod, to approve the proposed wording changes to Article 14, Section 189 as distributed. The vote was 4-0-0 to approve.

Mr. Mynarski also suggested a charter revision committee be formed to update the wording of the Town Charter in general, as some of the language is outdated. It was noted that this would need to be done through the Selectmen's Office.

6. Adjournment

Upon a motion by Ms. Kreuzer, seconded by Mr. Fisher, to adjourn the Regular Meeting of the Investment Advisory Committee at 10:33 A.M, the Committee voted 4-0-0 to adjourn.

Joan Lynch, Recording Secretary

William Drake, Chairman, Investment Advisory Cmte

The next meeting of the IAC will be held on Tuesday, December 6, 2022 at 10:00 A.M. in the Mazza Room.