



## TOWN OF GREENWICH

### BOARD OF ESTIMATE & TAXATION INVESTMENT ADVISORY COMMITTEE WEBINAR

Thursday, April 8, 2021 – 10:00 A.M.

#### AGENDA

You are invited to a Zoom webinar  
<https://greenwichct.zoom.us/j/87504434599?pwd=OVZwTXYvNTBsMDJGM3pFd1RmRjhUQT09>  
Password: 9999999

Or iPhone one-tap: US: +16465189805,,87504434599#,,1#,9999999# or  
8335480282,,87504434599#,,1#,9999999# (Toll Free)

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833 548 0282 (Toll Free) or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) or 833 548  
0276 (Toll Free)

Webinar ID: 875 0443 4599  
Password: 9999999

1. Approval of the BET Investment Advisory Committee Webinar Minutes of March 11, 2021
2. Review and approval of proposed investment actions of the April 8, 2021 OPEB Trust Board Meeting
3. Follow-on discussion of a Pension Obligation Bond and pension buy-out options
4. Review Treasury Reports:
  - Town's cash position as of March 31, 2021, actual cash flows for March 2021 and projected flows for the remainder of fiscal year 2021
  - Bank deposit interest rates and earnings credit rates
  - CD Program holdings as of March 31, 2021

5. New Business

6. Adjournment

Next Meeting: May 13, 2021 at 10:00 AM, via virtual Zoom webinar.

*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](mailto:demetria.nelson@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, March 11, 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

BET Attendees: Michael Mason, BET Chairman: Laura Erickson; Elizabeth K. Krumeich,  
Leslie Moriarty, Leslie Tarkington

RTM: Michael Basham, (D-2), Chair, Finance

Guest: William Ferdinand, OPEB Trust Board; Robert Stricker, Chairman,  
OPEB Trust Board; Greg Stump, Actuary, Boomershine Consulting Group,  
Michael Wacek, Member, Retirement Board

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

**1. Approval of the BET Investment Advisory Committee Meeting Minutes**

Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on January 14, 2021. The Committee voted 4-0-0. Motion carried.

Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on February 11, 2021. The Committee voted 4-0-0. Motion carried.

**2. Approval of the OPEB Trust Investment Policy Statement (IPS)**

Mr. Duus updated the Committee on changes to the document since the last meeting: A Law Department insertion; recommendations from Ms. Yemets; and benchmarking suggested by Mr. Weisbrod. Mr. Stricker suggested that the IPS text puts the OPEB Trust Fund on autopilot, and that it was not practical without asking investment manager not to attempt to add value. Mr. Ferdinand remarked that the strong control lack discretion for opportunity.

Mr. Duus reiterated that as long as the Town has not retained an outside investment manager for the OPEB Trust assets, the OPEB Declaration of Trust requires that every trade proposed by the OPEB Trust Board requires the prior approval of the IAC.

As a compromise, the following motion was made:

Upon a motion by Mr. Duus, seconded by Mr. Drake, to (a) decrease the lower bound of OPEB's Portfolio equity range from 50% to 30%, for an adjusted range of 30% to 90%, with a corresponding increase in the upper bound of the Portfolio's fixed income range from 50% to 70%, and (b) for actively managed mutual funds and ETFs increase from 10% to 20% the limit of the Portfolio in an individual mutual fund or ETF, and from 20% to 30% the limit in aggregate across all actively managed mutual funds and ETFs. The Committee voted 4-0-0. Motion carried.

### **3. Discussion of a Pension Obligation Bond (POB)**

The Committee discussed pension obligation bonds (POBs). In this connection, the Committee reviewed two *pro forma* scenarios, prepared by Greg Stump, of a taxable 20-year POB of \$88 million at 2.25% interest rate with anticipated earning of 6.25% interest. Initially, the POB would (a) increase funding of the Pension Fund 77% (at July 1, 2020) to over 90% and (b) reduce the Town's annual required, even after payment of debt service on the POB.

Committee members identified potential concerns, including the timing of the investment of the POB proceeds, the potential that the Retirement Board may reduce its return assumption as the pension plan become more fully funded, and the need to consider the BET's debt policy.

Mr. Mason reminded the Committee that additional options beyond a POB include a lump sum settlement or a buy out with deferred retirement.

### **4. Discussion of Lump Sum Pension Buy-out**

In the discussion of the lump sum buy out option, Mr. Stump indicated that this option was not typical in the public sector. Despite the advantage of rolling over the lump sum into an IRA, adverse selection was a possibility. A member of the Committee succinctly described the choices to addressing the outstanding unfunded liability or reducing the number of participants.

### **5. Town's cash position as of February 28, 2021, actual cash flows for February 2021 and projected flows for the remainder of fiscal year 2021**

Due to time constraints, Ms. Yemets reported highlights of the Town's cashflows and ending cash position. She noted that the General Fund ending balance as of 2/28/2021 was \$163.0 million, \$13.8 million lower than a year ago. The General Fund earned \$36,566 in interest and dividends in February; the fiscal year-to-date appreciation was \$425.4 thousand compared to \$2.1 million earned during the same time period a year ago. Ms. Yemets commented that some residents seemed to be taking advantage of the tax deferment program because property tax collections in FY 2021 were lagging by approximately \$21 million when compared to previous year. The conveyance tax and building permits FYTD revenues, however, exceeded the forecast, outpacing the collections during July 2019 - February 2020 by \$3.2 million and \$452.3 thousand, respectively.

### **6. New Business**

None was discussed.

**7. Topics for future discussion**

Further analysis of POBs and pension buy-out options.

**8. Adjournment**

Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisor Committee at 12:15 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: April 8, 2021 at 10:00 A.M. Zoom webinar.

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Catherine Sidor, Recording Secretary

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Andreas Duus, Chair, Investment Advisory Committee

**Scheduled Investment Advisory Committee Meetings**

April 8, 2021 (Thursday)  
May 13, 2021 (Thursday)  
June 10, 2021 (Thursday)