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

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

   Upon a motion by Ms. Kreuzer, seconded by Mr. Drake, the Committee voted 4-0-0 to accept the Minutes of the IAC Meeting of December 8, 2020. Motion carried.

2. **Review and approval of proposed investment actions of the January 14, 2021 OPEB Trust Board Meeting**

   During its meeting of January 14, 2021, the OPEB Trust Board voted 3-0-0 to reduce its position in SPDR S&P 500 ETF (SPY) to 55% of the total Trust portfolio and increase the Vanguard FTSE All World ex US ETF (VEU) position from 5% of the total Portfolio to 10% of the Portfolio.

   In a second 3-0-0 vote, the Board approved the sale of almost 100% of its position in Vanguard Federal Money Market Fund (VMFXX), leaving a small remainder of $10,000 - $20,000 in the event it is needed for another trade. The proceeds from the sale of VMFXX are to be reinvested in PIMCO Enhanced Short Maturity Active ETF (MINT).

   The two approved transactions would slightly diversify the equity composition of the Portfolio without alteration to the Portfolio’s equity/fixed income ratio of 75%/25%. After discussion of whether the equity diversification would cause more volatility, it was decided that the changes were reasonable.
Mr. Duus proposed a motion to approve the recommendations of the OPEB Trust Board. The Committee voted 4-0-0. Motion carried.

3. **Discussion of Proposed Changes to the OPEB Trust Investment Policy Statement**

Mr. Duus reminded the Committee that it is BET policy to review the OPEB Trust Investment Policy Statement (“IPS”) every five years and that the review is due this fiscal year.

The Committee reviewed, on a ‘first-read’ basis, changes to the IPS proposed by Mr. Duus and Ms. Kreuzer, that would simplify the investment benchmarks, narrow investment latitude and reduce the frequency of the OPEB Trust Board meetings. Mr. Duus thanked Ms. Kreuzer for her contributions to the draft.

During the meeting, members proposed further changes, in text, tone, and intention. There was also discussion, given the low liquidity needs of the OPEB Trust, about the willingness of members to accept higher investment volatility associated with increasing the proportion of the portfolio invested in equities.

If the equity proportion of the OPEB Portfolio would be increased, the Committee discussed whether it should accept the OPEB Trust Board’s earlier request to have the Trustee execute transactions proposed by the Board, without prior approval by the IAC. The Committee concluded that the only means to allow active management of the portfolio in-between meetings of the IAC would be to engage an outside investment manager.

The Committee further concluded that it was necessary to complete the update of the IPS, whether or not it would seek ultimately an outside investment manager. The Committee plans to review the revised draft in the February meeting. Also, in its February meeting, the Committee plans to consider the issue of a Request for Proposal (“RFP”) for an outside investment manager, in order to gain information on expected costs. Prior to the meeting, Comptroller Mynarski will prepare a draft of an RFP for the Committee to consider.

4. **Review Town’s cash position as of December 31, 2020, actual cash flows for December 2020 and projected flows for the remainder of fiscal year 2021**

Ms. Lynch commented that property tax collections in December 2020 – January 2021 were very close to last year’s, trailing behind by about $3 million or 5%. The collection experience was despite the State-mandated three-month extension to April 1, 2021. This was likely due to the late timing of the State’s decision, which in turn delayed notice of the extension to taxpayers after the Town circulated tax bills in December.

Mr. Mynarski described the process and excellent results of recent bond financings by the Town. Additionally, he alerted the Committee that Hilltop Securities, the Town’s outside financial advisor, had just closed its Connecticut office without prior notice. The Town’s three-year contract with Hilltop has another year. Mr. Mynarski will cancel the contract after bills for past services are paid and later this year issue an RFP for a replacement advisor.

Ms. Yemets provided an abbreviated report of the General Fund cash position as of 12/31/2020. Overall, she noted that nothing was unusual during December: the ending balance of the General Fund was $136.2 million; appreciation was $47 thousand; total inflows...
were $36.6 million, total outflows were $36.1 million. December expenses were higher than normal due to two additional payrolls: one represented holiday pay for Police and Fire and another one represented retro adjustment payments for the unions. Higher December revenue resulted from higher conveyance tax collections ($850,000) and building permits income ($567,000), as well as federal and state grant payments, including Muni COVID Relief Fund reimbursement in the amount of $423,000.

5. **Review CD Program holdings as of December 31, 2020** – The item was not discussed due to time constraints.

6. **New Business** – None was discussed.

7. **Adjournment**

   Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisory Committee at 11:57 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: February 11, 2021 at 10:00 A.M. as a Virtual webinar.

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Catherine Sidor, Recording Secretary

Andreas Duus, Chair, Investment Advisory Committee

**Schedule of Remaining Investment Advisory Committee Meetings for calendar year 2021**

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