



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

Investment Advisory Committee Meeting Minutes

Thursday, February 11, 2021

Virtual Webinar

Present:

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

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

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

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

Guest: Robert Stricker, Chairman, OPEB Trust Board

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

Mr. Duus asked for a motion to add a new item to the Agenda.

Mr. Duus made a motion, seconded by Mr. Weisbrod, to add a new item to the Agenda regarding an RFP for an outside professional manager for the OPEB Trust Fund. The Committee voted 4-0-0. Motion carried.

1. Approval of the BET Investment Advisory Committee Meeting Minutes

A vote on the Minutes of the BET Investment Advisory Committee Meeting of January 14, 2021 was deferred until the next meeting.

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

The Committee reviewed proposed changes in the draft of the OPEB IPS, including reducing the upper percentage bound of the Equity range from 80% to 75%. Ms. Yemets asked for a reconciliation of whether monthly reports were necessary if OPEB's meetings would be scheduled quarterly in the future. Ms. Yemets, as the OPEB Trustee, commented that the Trust's rebalancing analysis report was prepared monthly, and she remarked that it was prudent to continue forwarding the report to both IAC and OPEB Board members.

Upon a motion by Mr. Weisbrod, seconded by Ms. Kreuzer, the Committee voted 4-0-0 to accept the draft as amended. Motion carried.

Mr. Duus noted that the draft IPS would be reviewed by the Legal Department, as required by BET policy, before being presented to the BET for its consideration at its March meeting.

Mr. Stricker remarked that the IPS suggested rebalancing if an actively managed fund exceeded its allocation by 5%. He proposed that 10% was more realistic and recommended the actively managed fund rebalance range be changed from 2% - 5% to 10% - 25%.

Upon a motion by Mr. Weisbrod, seconded by Ms. Kreuzer, to re-state the range for rebalancing actively managed funds from 2% - 5% to 10% - 25%, the Committee voted 4-0-0. Motion carried.

New Agenda Item: Discussion of RFP for professional outside management of OPEB Trust

A draft of an RFP for professional outside management of the OPEB Trust, edited by Ms. Kreuzer, was circulated to the Committee. An advantage would be greater flexibility to respond to investment opportunities in between meetings of the IAC. A disadvantage would be incremental fees. The Committee deferred further discussion until after BET approval of the IPS.

3. Discussion of Pension Obligation Bond (POB)

At the request of BET Chairman Mike Mason, the IAC will consider the merits of the possible issue of a POB by the Town. Mr. Duus noted that a POB could significantly increase the funding of the Town's defined benefit pension fund, which in turn could reduce the required annual contribution to the pension fund by more than the cost of the POB's debt service. Among next steps in preparation for the Committee's next meeting, Mr. Duus will ask that the Town's outside actuary prepare a 25-year *pro forma* analysis for the Committee's review, and Mr. Mynarski will consult with Robinson+Cole's bond counsel on the state's legal process for POBs.

Other topics to be considered include alternatives to reduce the growth of the pension liability, such as buyout of retirees or an early lump sum payment. Ms. Kreuzer offered a hybrid amortization model for further discussion of options.

4. Town's cash position as of the end of January 2021, actual cash flows for January 2021 and projected flows for the remainder of fiscal year 2021

Ms. Yemets noted that cash flows in January 2021 were typical for that month, with revenues being slightly bigger and expenses somewhat lower than forecasted. She reported that the month-end cash position of the General Fund was \$169 million and total interest and dividends earned during the month were \$44,942. Building permits and Conveyance tax income was higher again in January, with the fiscal year-to-date collections already exceeding the full year's budget. Ms. Yemets remarked that CT's STIF program was paying a higher interest rate, so additional money was transferred to that account. Commenting on property tax revenue, Ms. Yemets indicated that tax collections were behind previous year by about \$20 million and suggested it was due to the tax deferral program as required by the Governor's Executive Order 9R.

5. New Business – None was discussed.

6. Adjournment

Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisor Committee at 11:45 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: March 11, 2021 at 10:00 A.M., Zoom webinar.



Catherine Sidor, Recording Secretary



Andreas Duus, Chair, Investment Advisory Committee

Schedule Investment Advisory Committee Meetings for calendar year 2021

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