



**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
INVESTMENT ADVISORY COMMITTEE (IAC)
MEETING MINUTES
February 13, 2023**

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: Leslie Tarkington

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

1. Approval of the BET IAC and OPEB Trust Board Concurrent Meeting Minutes of January 12, 2023

Mr. Fisher made a motion to approve the January 12, 2023 meeting minutes, seconded by Mr. Drake. The vote was 3-0-0 to approve the January 12, 2023 meeting minutes (Ms. Kreuzer arrived shortly after this vote was taken, therefore did not vote).

2. Update on the OPEB Trust Portfolio market value as of January 31, 2023

- Ms. Yemets reviewed the OPEB Trust Portfolio performance results for the month of January and fiscal year-to-date through January 31st. The OPEB Trust Portfolio ended with a market value of \$41.8 million, representing a positive return in January of 6.42%, a positive return for fiscal YTD of 8.18%, and a negative return of 7.28% for the year ended January 31, 2023. Allocations as of the end of January were as follows: 44.4% with US Equities, 31.7% with non-US Equities, 19.2% with US Fixed Income, and 4.7% with non-US Fixed Income, all within IPS guidelines. No rebalancing required.

3. Review of Treasury Reports

- **Town's cash position and invested cash allocations on January 31, 2023**

Ms. Yemets presented the January 31, 2023 Treasurer's Report, showing a General Fund cash balance of \$215 million, and made several comments regarding its contents. General Fund appreciation for the month of January was \$535,925. The total Town Cash position,

including OPEB (excluding Retirement) was \$344.8 million. Fiscal YTD appreciation for the General Fund was \$2.8 million. She noted that about 6% of all cash (excluding Retirement and OPEB) is held at the banks (JPM, TD, Webster), with the majority of cash funds invested in CT STIF (54%), US Treasuries (33%), and the CD Program (7%). Balances are slightly higher with TD due to the timing of payroll funding required on February 1st.

In addition, Ms. Yemets provided a schedule of invested cash allocations, and discussed the interest rates, noting that interest rates continue to change rapidly and she and Ms. Lynch work to keep very low balances with the banks, and higher balances with STIF and U.S. Treasuries.

In answering a question posed by Ms. Kreuzer, Mr. Mynarski briefly discussed interest being earned on ARP Funds, and the possible processes required for future appropriations and spending of these funds.

Mr. Fisher asked to receive a copy of the STIF portfolio to review the contents of the fund. Ms. Yemets will send the portfolio to the IAC members at the conclusion of this meeting.

- **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 interest rates have increased at JP Morgan and TD, and all rates are being monitored regularly.

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

Ms. Yemets reviewed a schedule of all U.S. Treasury Bills investments which total \$86 million in the General Fund as of January 31st, and she also included a separate schedule as of February 13th. Both schedules show trade date, maturity date, quantity, price and yield to maturity for each bill. The schedule showed total investments in U.S. Treasuries for the General Fund (\$86 million as of January 31st, \$94 million as of February 13th), Capital Projects Fund (\$0 as of January 31st, \$33 million as of February 13th), ARP COVID Recovery Fund (\$10.1 million as of January 31st, \$8 million as of February 13th), Capital Non-Recurring Fund (\$2.3 million as of January 31st, \$3 million as of February 13th) and Sewer Maintenance Fund (\$2.4 million as of January 31st and \$3 million as of February 13th).

In January new bonds were issued by the Town. On the settlement date of February 9th, the Town received \$76.2 million from Bank of America Securities, Inc. who purchased the BANs, and paid off old BANs of \$75.1 million. In addition, the Town received \$37.9 million from UBS Financial Services for the new bond issue. On February 9th, the total Capital Projects cash was \$68 million, of that amount \$35 million was invested in STIF, and \$33 million was invested in U.S. Treasury Bills.

Mr. Mynarski pointed out that with the current bond issue, the TOG is borrowing at 2.34%, and earning above that with the current interest rates, therefore arbitrage rule require that funds be spent within 24 months. This is monitored closely with the help of the Town's external advisors, Robinson Cole, to ensure funds are properly spent by the deadline (never an issue, but always monitored and documented).

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

Ms. Yemets presented the Cash Report for the General Fund cash flows and balances through January 31, 2023. Tax collections were \$119.1 million, and the Town received BOE grants of \$2.6 million, and Other Grants of \$1.1 million in the month of January. Total inflows were \$126.1 million, and total outflows were \$71.8 million, for net cash inflow of \$54.4 million in January. Disbursements in January included debt service payments of \$41.2 million on January 17th.

4. Old Business – None

5. New Business – Mr. Mynarski provided an update on the RFP for actuary services for the OPEB Trust, noting that there were 8 bids as of Friday, February 10, 2023. He stated that he will be working with the RFP review committee (Mr. Wacek, Ms. Kreuzer and Mr. Mynarski) on reviewing the proposals, and will provide another update at the March IAC meeting. The committee plans to provide a recommendation on actuary at the April concurrent meeting of the IAC and OPEB Trust Board.

6. Adjournment

Upon a motion by Mr. Drake, 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 Thursday, March 9, 2023 at 9:00 A.M. in the Mazza Room.