



**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
INVESTMENT ADVISORY COMMITTEE (IAC)
MEETING MINUTES
March 9, 2023**

Present:

IAC Members: William Drake, Chairman, Harry Fisher, Miriam Kreuzer (phone)

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

BET Members: Dan Ozizmir, BET Chairman; Leslie Tarkington

The meeting was called to order at 9:11 A.M.

1. Approval of the BET Investment Advisory Committee Meeting Minutes of February 13, 2023

Mr. Fisher made a motion to approve the February 13, 2023 meeting minutes, seconded by Mr. Drake. The vote was 3-0-0 to approve the February 13, 2023 meeting minutes.

2. Update on the OPEB Trust Portfolio market value as of February 28, 2023

- Ms. Yemets reviewed the OPEB Trust Portfolio performance results for the month of February and fiscal year-to-date through February 28th. The OPEB Trust Portfolio ended the month of February with a market value of \$40.6 million, which includes a loss of \$1.2 million for the month, and a gain of \$2.0 million for the fiscal year to date. Allocations as of the end of February were as follows: 44.7% with US Equities, 31.3% with non-US Equities, 19.3% with US Fixed Income, and 4.8% 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 February 28, 2023**

Ms. Yemets presented the February 28, 2023 Treasurer's Report, showing a General Fund cash balance of \$208.9 million, and made several comments regarding its contents. General Fund appreciation for the month of February was \$656,183. The total Town Cash position, including OPEB (excluding Retirement) was \$374.0 million. Fiscal YTD appreciation for the General Fund was \$3.4 million. It was noted that the balance in Capital Non-Recurring is \$8.5 million, higher than expected due to projects being closed out.

Ms. Yemets provided a schedule of invested cash allocations and noted that about 5% 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 (47.1%), US Treasuries (41.5%), and the CD Program (6.4%). Balances are slightly higher with JP Morgan due to the timing of payroll funding required on March 1st.

- **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 across the board in February, and all rates are being monitored regularly. JPMorgan raised their rate mid-February to 3.12%, TD increased to 2.75% and went up to 3% effective March 1, Webster is at 2.15% with nominal balances held at Webster, STIF was 4.61% on February 28th and is now 4.65%, the CD Program is 1.98%. US Treasury rates as of February 28th were 4.88% for 3-months, 5.17% for 6-months, 5.02% for 12-months and 3.92% for 10-year. Mr. Fisher commented the yield curve is more inverted than it has been since 1980, and he does not recall ever seeing an inversion on the short end with the 12-month rate being lower than the 6-month US Treasury rate.

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

Ms. Yemets reviewed a schedule of all U.S. Treasury investments which total \$141 million as of February 28, 2023, showing 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 of \$94 million (face value), Capital Projects Fund of \$33 million, ARP COVID Recovery Fund of \$8 million, Capital Non-Recurring Fund of \$3 million and Sewer Maintenance Fund of \$3 million.

Ms. Yemets commented that the next maturity date for US Treasuries will be in April 2023, at which time the funds will likely be rolled over.

- **General Fund monthly cash flows: actual for February 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 February 28, 2023. Tax collections were \$19.7 million, and the Town received BOE grants of \$2.7 million. Total inflows were \$25.9 million, and total outflows were \$32.0 million, for net cash outflow of \$6.1 million in February. Cash ending balance was \$208.9 million. Mr. Fisher asked about the NW transfer line which reduces total outflows from the General Fund on the cash report. Ms. Yemets explained how this amount represents cash swept from NW into the General Fund. Some discussion ensued on the topic of fund cash transfers.

Mr. Ozizmir stated that at the Budget Meeting the previous day, the budgeted Interest Income for fiscal year 2023-24 was increased to \$6 million, and he commended the work of Treasury and Finance in managing this in a diligent and smart way, thereby maximizing interest earned using short-term safe investment strategies.

4. **Old Business** – None

5. **New Business** – None

6. Adjournment

Upon a motion by Mr. Drake, seconded by Mr. Fisher, to adjourn the Regular Meeting of the Investment Advisory Committee at 9:36 AM, the Committee voted 3-0-0 to adjourn.



Joan Lynch, Recording Secretary



William Drake, Chairman, Investment Advisory Cmte

The next meeting of the IAC will be a concurrent meeting of the IAC and the OPEB Trust Board on Thursday, April 13, 2023 at 10:00 A.M. in the Mazza Room.