TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION

OPEB Trust Board Meeting Minutes
Thursday, March 12, 2020
Mazza Conference Room, 1st Floor, Town Hall

Present:

Trust Board: Robert Stricker, Chairman; William Ferdinand, Joseph Pellegrino

BET Attendees: Andreas Duus, Miriam Kreuzer, David Weisbrod

Staff: Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller and ex-officio member of the OPEB Trust Board; Nataliya Yemets, Treasurer and OPEB Trustee

The meeting was called to order at 8:31 A.M.

1. Approval of the OPEB Trust Meeting Minutes

   Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0-0 to accept the Minutes of the OPEB Trust Board Meeting held on February 11, 2020. Motion carried

   Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 2-0-1 (Abstain: Stricker) to accept the Minutes of the OPEB Trust Board Special Meeting held on March 4, 2020. Motion carried.

2. Review performance of Trust as of the end of February 2020

   Ms. Yemets began with reviewing Callan’s quarterly report as of 12/31/19 that provides comparative performance of various Callan Database Groups. She compared the OPEB Trust asset allocation to average asset allocations of Callan’s Public Database and Small Plans (less than $100 million in assets) Database. She also compared OPEB Trust performance (net of fees) versus Callan’s Public Small Plans and All Small Plans Databases (gross of fees).

   Ms. Yemets provided an update on the major market indices performance in February: S&P 500 Index declined 8.23%, the MSCI All Country World ex US Index lost 7.90%, and Bloomberg Barclays U.S. Aggregate Bond Index gained 1.80%. The worst performing sectors in February were Energy (-14.56%) and Financials (-11.19%). Large Cap Growth performed better than any other US Equities; Small Cap Value was the worst performer with the return of -9.72%. One-year returns were mixed, ranging from a positive return of 15.11% for LCG to -9.29% for SCV.

   Focusing on the OPEB Trust Rebalancing Analysis, two handouts were distributed: one reflected 2/29/2020 balances, and the second reflected 3/10/2020 balances that captured the trades executed as a result of decisions made at the special meeting on 3/4/2020. Ms. Yemets reported that during February, the Trust lost $1,669,888 or 4.99% and ended the
month with the balance of $31,860,381 before Operating Cash. The Portfolio lost $778,550 during the first ten days of March, reversing fiscal year-to-date gains into losses of $638,009. The Portfolio asset allocation as of 3/10/2020 was as follows: 57.2% in domestic equities, 9.6% in international equities, 33.2% in U.S. fixed income and cash. All allocations were close to targets set at the special meeting on 3/4/2020 and within the Policy guidelines.

In February, the OPEB Trust dropped 4.99%, falling below the Portfolio’s blended benchmark. Domestic Equities slightly outperformed S&P 500 Index, International Equities declined 4.79%, but beat the benchmark by 311 bps, Domestic Fixed Income lost 0.13% – while it was the best absolute performance, the segment underperformed its index by 193 bps. The Total Portfolio declined another 2.41% in the first 10 days of March 2020.

3. **Discuss market conditions and investment strategy, including asset allocation**

Mr. Stricker commented that the markets appeared to be in “panic mode” with total disconnect between treasuries, equities and gold. Mr. Pellegrino noted that funds were being moved into cash in preparation to be invested back into equities. The Board contemplated the length of time it would take for the markets to recover and the level of damage caused by the coronavirus crisis to the economy. Concern was expressed about the influence of geopolitics, the damage to the travel industry, the oil price war and lack of activity in bank lending on the market. The discussion shifted to the Portfolio’s asset allocation and developing a strategy for taking advantage of dollar cost averaging. It was suggested that the Portfolio equity allocation should be raised at this time.

Mr. Pellegrino made a motion, seconded by Mr. Ferdinand, to sell U.S. Treasuries and invest the proceeds in SPDR S&P 500 ETF Trust (SPY) in a sufficient amount to increase the OPEB Trust Portfolio total equity position to 70%. The Board voted 3-0-0. Motion carried.

4. **Review low cost emerging market index ETFs**

Topic was not discussed due to time constraints.

5. **Discuss and approve the OPEB Trust Board annual report for the Investment Advisory Committee**

A draft of the Board’s annual report to the BET was circulated but not discussed due to time constraints. It will be a topic for discussion at the next OPEB Trust Board meeting.

6. **Discussion of topics for future Meetings**

- OPEB Trust Board annual report to the IAC
- Annual review of the Investment Policy Statement

7. **Adjournment**

Upon a motion by Mr. Stricker, seconded by Mr. Pellegrino, the Board voted 3-0-0 to adjourn the meeting at 10:03 A.M.

Next OPEB meeting is scheduled for April 7, 2020 at 8:30 A.M. in the Human Services Conference Room, 3rd Floor. (The meeting time was subsequently changed to 8:00 A.M. and the meeting site was changed to Zoom).
Schedule of OPEB Trust Board Meetings for calendar year 2020 at 8:30 A.M.

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Location</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>April 7, 2020</td>
<td>Tuesday</td>
<td>Human Services Conference Room, 3rd Floor</td>
<td>The meeting time was subsequently changed to 8:00 A.M. and the meeting site was changed to Zoom</td>
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<tr>
<td>May 7, 2020</td>
<td>Thursday</td>
<td>Mazza Conference Room, 1st Floor</td>
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<td>June 11, 2020</td>
<td>Thursday</td>
<td>Mazza Conference Room, 1st Floor</td>
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<tr>
<td>July 16, 2020</td>
<td>Thursday</td>
<td>Mazza Conference Room, 1st Floor</td>
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<tr>
<td>August</td>
<td>(no meeting)</td>
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<tr>
<td>September 17, 2020</td>
<td>Thursday</td>
<td>Mazza Conference Room, 1st Floor</td>
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<td>October 15, 2020</td>
<td>Thursday</td>
<td>Mazza Conference Room, 1st Floor</td>
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<tr>
<td>November 10, 2020</td>
<td>Thursday</td>
<td>Human Services Conference Room, 3rd Floor</td>
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<tr>
<td>December 8, 2020</td>
<td>Tuesday</td>
<td>Mazza Conference Room, 1st Floor</td>
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