

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

**Investment Advisory Committee Meeting Minutes**

Tuesday, April 7, 2020  
Virtual Zoom Meeting

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 Chair; Laura Erickson, Leslie Moriarty, Leslie  
Tarkington

Guests: William Ferdinand, OPEB Trust Board Member; Joseph Pellegrino, OPEB  
Trust Board Member

The meeting was called to order at 9:25 A.M.

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

Upon a motion by Mr. Weisbrod, seconded by Ms. Kreuzer, the Committee voted 4-0-0 to approve the Minutes of the IAC Meeting of March 12, 2020. Motion Carried.

**2. Review and approve actions of the OPEB Trust Board Meeting**

Ms. Yemets recounted that during the OPEB Trust Board's meeting of April 7, 2020, the Board voted 2-0-1 (Opposed: Stricker) to increase the Portfolio's equity allocation first to 72.5% and then to 75.0% by selling a sufficient amount of U.S. Treasury Bills and investing the proceeds in SPDR S&P 500 ETF (SPY). The trades to be executed on two separate days when the S&P 500 Index declines 2% or more from prior day close to 2:00 PM of current day.

The Investment Advisory Committee discussed the mechanics to execute the OPEB Board's motion or whether equities should be allowed to reach 75% of the Portfolio naturally. The Committee proceeded by reviewing the OPEB IPS guidelines and the changes proposed earlier by the OPEB Trust Board. Several of the proposed amendments were viewed as being substantial, which would change the direction of the OPEB investment approach to more active. The Committee discussed whether a more passive or less passive investment approach would be appropriate to run the OPEB Trust Portfolio. It was decided that this item should be given more thought and review before the IPS changes can be approved by the IAC.

Upon a motion by Mr. Drake, seconded by Ms. Kreuzer, the Committee voted 3-0-1 (Opposed: Weisbrod) to approve the actions of the OPEB Trust Board at their April 7, 2020 OPEB Trust Board meeting, as stated above. Motion carried.

### **3. Review actual / forecasted General Fund monthly cash position for Fiscal Year 2020**

Ms. Yemets reported that the General Fund balance as of 3/31/20 was \$155 million with cash inflows of \$5.8 million and outflows of \$27.5 million. The General Fund interest and dividends earnings in March were \$198,074, the fiscal year-to-date earnings amounted to \$2.25 million. Ms. Yemets reported that an additional \$3.5 million was invested in the CD Program to take advantage of the higher interest rates. The Program's balance is monitored closely to ensure compliance with the Cash Management Resolution.

Ms. Yemets commented that the General Fund April flows would be affected by the measures put in place in accordance with the announced public health and civil preparedness emergencies. It could potentially result in reductions in the Town services revenues, decline in construction permit and conveyance tax revenues, refunds for the cancelled Parks & Recreation spring programs etc. Reduced revenues would likely be offset by savings due to staffing changes, the inflow of state and federal grants, budgeted expenses that may not occur, and reimbursements.

### **4. Review changes in investment interest rates and bank earnings credit rates**

The Committee reviewed the General Fund investment allocations in JP Morgan (2.2%), TD Bank (35.5%), Webster Bank (10.3%), CT STIF (36.2%) and CD Program (15.8%). Focusing on interest rates paid on the Town's deposits, Ms. Yemets reported gradual reduction to the 15-64 bps range in March/April with further declines expected. U.S. Treasuries short-term yields fell to the 10-15 bps range, CD rates got below 1.0% levels. Earnings Credit Rates had not changed, however, were anticipated to be lowered shortly. The Committee asked for diversification recommendations for higher yielding instruments and compared the relative value of each recommendation.

### **5. Review CD Program holdings as of 3/31/2020**

Ms. Yemets reported that on 3/31/2020 the CD Portfolio included 103 holdings, all within the FDIC insurance limit and with the IDC ranking above 170. Approximately \$5.7 million would be maturing before the end of August 2020. The additional \$3.5 million transferred to the Program on 3/26/2020 was invested in 14 CDs, twelve of them with maturities in less than one year, yields ranging from 90 bps to 1.55%. The Town's CD advisor, Financial Northeast Companies (FNC), recommended laddering CDs so that every month there are several CDs maturing in case the Town needs liquidity. Commenting on FY21 appreciation, Ms. Yemets suggested that CD Program could generate up to \$40-\$60 thousand in income per month.

### **6. Review OPEB Trust Board Management Report and proposed changes to the OPEB Investment Policy Statement**

Mr. Duus asked the Committee to review the OPEB IPS draft to discuss further at the next meeting. The Trust Board proposed shifts to streamline and add value to their work including policy changes that would lead to a more active management style. It was decided that a document would be shared to aggregate the Committee's response to OPEB's IPS draft in preparation for further discussion at the next meeting.

## **7. Discussion of topics and review of schedule of future IAC meetings**

- Conversation with the Actuary about the nature of the Town's liability under various market conditions

Mr. Weisbrod and Mr. Duus thanked the Treasury Staff for their preparation of meeting materials and conducting a virtual meeting during the unusual circumstances created by the health emergency restrictions.

## **8. Adjournment**

The Committee voted unanimously to adjourn the meeting of the IAC at 10:58 A.M. Motion carried.

Next Meeting: Thursday, May 7, 2020 either in Town Hall, Mazza Conference Room, 1<sup>st</sup> Floor or as a Zoom webinar at 10:00 A.M.



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Catherine Sidor, Recording Secretary



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Andreas Duus, Chair, Investment Advisory Comm.

## **Schedule Investment Advisory Committee Meetings for calendar year 2020**

May 7, 2020 (Thursday) – Zoom Webinar or Town Hall Mazza Conference Room First Floor

June 11, 2020 (Thursday) – Mazza Conference Room, 1<sup>st</sup> Floor

July 16, 2020 (Thursday) – Mazza Conference Room, 1<sup>st</sup> Floor

August (no meeting)

September 17, 2020 (Thursday) – Mazza Conference Room, 1<sup>st</sup> Floor

October 15, 2020 (Thursday) – Mazza Conference Room, 1<sup>st</sup> Floor

November 10, 2020 (Tuesday) – Human Services Conference Room 3<sup>rd</sup> Floor

December 8, 2020 (Tuesday) – Mazza Conference Room, 1<sup>st</sup> Floor