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

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

BET Attendees: Michael Mason, BET Chair; Laura Erickson

The meeting was called to order at 10:05 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 3-0-0 (Mr. Weisbrod arrived after vote) to approve the Minutes of the IAC Meeting of April 7, 2020. Motion Carried.

2. Review and Approve Actions of the OPEB Board Meeting

During the OPEB Board’s meeting of May 7, 2020, the Board took the following action:

The OPEB Trust Board voted 3-0-0 to sell 100% of both Vanguard FTSE All-World ex-US ETF (VEU) and iShares MSCI Emerging Markets (EEM). The proceeds would be invested in the SPDR S&P 500 ETF (SPY) in two equal parts on two separate days: the first trade to be executed right after the meeting and the second on a later day when the S&P 500 Index declines 2% or more from prior day close to 2:00 PM of current day.

The Board’s recommendation to divest of international equities was made anticipating US market recovery in the second half of the year, and considering the past losses from the asset allocation with no change seen in the short-term future.

Upon a motion by Mr. Drake, seconded by Mr. Duus, the IAC voted 2-1-1 (Opposed: Weisbrod) (Abstain: Kreuzer). 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 April 30 was $131 million; interest and dividends earned in April totaled $96,544. Overall, Town’s cash position at the month end was $240.8 million, total appreciation was approximately $2.8 million, about $2.7 million of which was attributed to the OPEB Trust Portfolio. Ms. Yemets reviewed the Town’s invested cash allocations, reporting the percentage in each of the five depository institutions and the amount of interest being earned. She noted that interest rates were trending lower.

Cash Forecast Report: tax collections were approximately $1.6 million less than anticipated;
interest income was revised downward. Cash inflows were $4.4 million, a million lower than forecasted, due to somewhat lower vendor spending in April. Thus, the General Fund cash balance as of April 30 was about $11 million higher than forecast. Now the fiscal year-end General Fund cash balance was projected to be approximately $76 million.

The Committee asked Mr. Mynarski about the potential impact of the approved option for taxpayers to defer property tax payments until October. Mr. Mynarski described potential options available to support the Town’s cash flow needs, including the deferral of the annual contributions to the Retirement Plan and to the OPEB Trust as well as the temporary transfer of cash to the Town’s General Fund from other Town funds. The Committee thanked Mr. Mynarski for the thorough modeling and explanation of the options.

higher than projected, mostly due to the $4.3 million transfer of issue premium on bonds from the Bonded Capital Projects Fund to the General Fund. Cash outflows were $6.4.

4. **Discuss OPEB Trust Board Management Report and proposed changes to the OPEB Trust Investment Policy Statement (IPS)**

Mr. Duus asked the Committee to review changes to the Investment Policy Statement provided by Mr. Stricker (Chairman of OPEB Trust Board), particularly concerning the Board’s request to accelerate approval of OPEB Trust Board’s decisions. Mr. Duus encouraged the Committee to submit their comments so that a composite could be developed for discussion at the next meeting. Topics for further discussion include: amount of OPEB liquidity; amount of the Town’s year-end OPEB contribution net expenses; diversification of money market options; and, limitation of amount under a single investment manager’s control. The Committee was asked to consider the OPEB meeting schedule, what investments might be prohibited, and the potential liability related to the use of outside volunteers to make investment decisions.

5. **Discussion of topics and review of future IAC meeting schedule**

- Consideration of second draft of Investment Policy Statement
- Review cost of Outsourced Chief Investment Officer and compare OPEB and Neuberger Berman Performance

6. **New Business** – No **New Business** topic scheduled for discussion

7. **Old Business** – No **Old Business** topic scheduled for discussion

8. **Adjournment**

Mr. Drake made a motion, seconded by Ms. Kreuzer to adjourn the meeting of the IAC at 11:33 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: Wednesday, June 11, 2020 at 10:00 A.M. either in Town Hall, Mazza Conference Room, or as a Virtual webinar.
Schedule Investment Advisory Committee Meetings for calendar year 2020

June 11 (Thursday) - Mazza Conference Room, 1st Floor
July 16 (Thursday) - Mazza Conference Room, 1st Floor
August (no meeting)
September 17 (Thursday) - Mazza Conference Room, 1st Floor
October 15 (Thursday) - Mazza Conference Room, 1st Floor
November 10 (Tuesday) – Human Services Conference Room 3rd Floor
December 8 (Tuesday) – Mazza Conference Room, 1st Floor