



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

May 11, 2023

Present:

IAC Members: William Drake, Chairman, Harry Fisher, Miriam Kreuzer

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

BET Member: Dan Ozizmir, BET Chairman; Leslie Tarkington

The meeting was called to order at 9:03 AM.

1. Approval of the BET Investment Advisory Committee and OPEB Trust Board Concurrent Meeting Minutes of April 13, 2023

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

2. Update on the OPEB Trust Portfolio

- **Review market value and asset allocations as of April 30, 2023**

Ms. Yemets reviewed the OPEB Trust Portfolio performance results for the month of April and fiscal year-to-date through April 30th. The OPEB Trust Portfolio ended the month of April with a market value of \$42.1 million, which includes a gain of \$470,823 for the month, and a gain of \$3.55 million for the fiscal year to date. Allocations as of the end of April were as follows: 44.7% with US Equities, 31.5% with International Equities, 19.1% with US Fixed Income, and 4.7% with International Fixed Income, all within IPS guidelines. No rebalancing required.

- **Discuss results of Retirement and OPEB Actuarial Services RFP #7753 and make recommendation to the BET**

Mr. Mynarski provided an update on the RFP, noting that details cannot yet be disclosed publicly. The IAC needs to make a recommendation to the BET at the June 7, 2023 meeting. To accommodate the review and approval process, the following motion was made:

Mr. Fisher made a motion for the IAC to endorse the RFP Review Committee's decision and recommendation for hiring of Actuarial Services for the OPEB Trust, seconded by Ms. Kreuzer. Motion passed 3-0-0.

Procedural discussion ensued related to the hiring of OCIO for the Retirement Board, which will be voted on by the BET on June 7, 2023.

Ms. Kreuzer made a motion to endorse the Retirement Board's decision and recommendation on the hiring of OCIO for the Retirement Board, seconded by Mr. Drake. Motion passed 3-0-0.

3. Review of Treasury Reports

- **Town's cash position and invested cash allocations on April 30, 2023**

Ms. Yemets presented the April 30, 2023 Treasurer's Report, showing a General Fund cash balance of \$154.8 million, and made several comments regarding its contents. General Fund appreciation for the month of April was \$521,554. The total Town Cash position, including OPEB (excluding Retirement) was \$319.2 million. Fiscal YTD appreciation for the General Fund was \$4.7 million.

Ms. Yemets provided a schedule of invested cash allocations and noted that less than 2.5% of all cash (excluding Retirement and OPEB) is held at the banks (JPM, TD, Webster), with the majority of cash funds invested in US Treasuries (64.2%), CT STIF (25.5%), and the CD Program (7.8%).

Mr. Fisher commented on the makeup of STIF investments, noting STIF no longer has significant investments in domestic banks. He noted that STIF is invested in foreign banks or New York branches of foreign banks, and bank CDs represent a lower percentage of the total portfolio than they have in the past.

- **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 April, and all rates are being monitored regularly. JPMorgan raised their rate to 3.27%, TD increased to 3.09% and Webster went up to 2.25%. STIF interest rate was 4.90% on April 30th and is now 5.08%. Comments were made regarding the extremely inverted yield curve.

ECR on hybrid accounts at JPMorgan increased to 3.4%.

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

Ms. Yemets reviewed a schedule of all U.S. Treasury investments which total face value of \$180.5 million as of April 30, 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 \$94.0 million, Capital Projects Fund of \$53.5 million, ARP COVID Recovery Fund of \$13.0 million, Capital Non-Recurring Fund of \$7.0 million and Sewer Maintenance Fund of \$13.0 million.

Ms. Yemets commented that the next maturity dates for US Treasuries will be in June 2023, in time for debt service payments (July), retirement plan annual contribution (July) and leading into the new tax collections season at the end of June. New investments in U.S. Treasuries will be assessed at that time based on liquidity needs.

- **General Fund monthly cash flows: actual for April 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 April 30, 2023. Tax collections were \$3.0 million, and NW collections were above average at \$3.2 million. Total inflows were \$7.4 million, and total outflows were \$29.0 million, for net cash outflow of \$21.6 million in April. Cash ending balance was \$154.8 million.

4. **Old Business** – None

4. **New Business**

Ms. Kreuzer inquired about the timing of reconvening the Debt and Fund Policy group. Mr. Ozizmir stated that in the last cycle, the final report was issued in December of the 2nd year. He suggested to reconvene after the end of the current budget season. Considering present interest rates and yield curve, Mr. Ozizmir wants to ensure the Town has the optimal debt structure. He commented that consideration should concurrently be given to the cash balances and investments in U.S. Treasuries. He would view the Town of Greenwich as more of an asset sensitive enterprise rather than a liability sensitive enterprise which many assume it is.

6. **Adjournment**

Upon a motion by Ms. Kreuzer, seconded by Mr. Fisher, to adjourn the Regular Meeting of the Investment Advisory Committee at 9:31 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 on Thursday, June 7, 2023 at 12:00 P.M. in the Mazza Room.