



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

Investment Advisory Committee Meeting Minutes

Thursday, May 13, 2021

Virtual Webinar

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: Michael Mason, BET Chairman

The meeting was called to order at 8:30 A.M.

1. Approval of the BET Investment Advisory Committee Meeting Minutes

Mr. Drake made a motion, seconded by Ms. Kreuzer, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on April 8, 2021. The Committee voted 4-0-0. Motion carried.

2. Review Town's cash position as of April 30, 2021, actual cash flows for April 2021 and projected flows for the remainder of fiscal year 2021

Ms. Yemets reported that the General Fund balance at the end of April was \$139.5 million. It earned \$36,273 in interest and dividends from bank deposits and the CD Program in April, fiscal year-to-date appreciation was \$523,072, slightly more than was budgeted for FY 2021.

Ms. Yemets reviewed the percentage of invested cash allocations and noted interest rates being earned on assets in each depository. The cash report showed \$396 million collected in real estate taxes during the first 10 months of FY 2021, with \$10.4 million arriving in April. It was noted that there seemed to be no consequence resulting from the COVID-19 tax payment deferral dates. Conveyance taxes in April were approximately \$802 thousand and forecasted to be over \$8 million by the end of the fiscal year. Total cash inflows for the month were \$16.6 million and outflows \$31.1 million. The General Fund cash balance of \$139.5 million at the end of April was \$8.2 million higher than the balance a year ago.

The Committee discussed the imminent arrival of the American Recovery Program (ARP) funds during May and the First Selectman's ARP Special Initiative Committee that is being formed to define the strategy, objectives and timetable for distribution decisions. The

Committee was assured that ARP would be non-lapsing funds to be used when federal Treasury Guidelines are received and will be tracked with a new unique line item on the cash flow report.

3. OPEB Trust

a. Investment Performance

The OPEB Trust earned \$1.5 million during April, and ended the month with a balance of \$42,025,281. For the fiscal year through April, the Trust has earned \$9.3 million, representing a 28.0% return versus a return on the weighted benchmark of 20.3%. Contributing to the outperformance versus the benchmark was the over-weighting in an S&P 500 EFT, that has provided \$7.3 million of gains so far this fiscal year.

b. Review of proposed revisions to the OPEB Funding Policy in preparation for presentation to the full BET in June

The Committee reviewed proposed changes to the OPEB Funding Policy Statement, which accompanies the OPEB Investment Policy Statement (“IPS”) in the BET Policy Manual. The proposed changes are primarily conforming with the changes in the IPS previously approved by the IAC. Assuming the IAC approves the proposed changes in its June 10 meeting, it will seek BET approval of both policy statements in its June 14 meeting.

c. Recent communication regarding a potential OCIO

Ms. Yemets related an informal conversation she recently had with Vanguard Institutional Advisory Services about its potential management of the OPEB Trust Fund. This follows a similar conversation had last year with Vanguard. Notably, Vanguard has materially reduced the indicative rate it would charge for management of the OPEB Trust sufficiently so as to rekindle interest to solicit proposals for outside investment management services of the OPEB Trust. Mr. Mynarski commented that he had been contacted by other interested financial service firms and suggested that the process could begin immediately with a formal Request for Proposal, packaged with a watermarked draft of the IPS. He predicted initial responses could be expected in June and interviewing could be anticipated in July.

Upon a motion by Mr. Weisbrod, seconded by Ms. Kreuzer, to publish an RFP to identify interested financial asset management firms as possible Outside Chief Investment Officer, the Committee voted 4-0-0. Motion carried.

d. Trust Board reappointments for FY2022

Mr. Duus offered to contact members of the OPEB Trust Board regarding their interest in reappointment for FY2022 and ask for their ongoing participation as an informal advisory board to retain their talent and insights. He would also solicit feedback on the Committee’s new decision to seek an OCIO and the projected RFP timetable.

4. Old Business

No topics were scheduled for discussion.

5. New Business

No topics were scheduled for discussion.

6. Adjournment

Mr. Weisbrod made a motion, seconded by Mr. Drake, to adjourn the Regular Meeting of the Investment Advisor Committee at 9:43 A.M. The

Next Meetings: June 10, 2021 at 10:00 A.M. via Zoom webinar.



Catherine Sidor, Recording Secretary



Andreas Duus, Chair, Investment Advisory Committee

Schedule Investment Advisory Committee Meetings for calendar year 2021

June 10, 2021 (Thursday)
July 15, 2021 (Thursday)
September 15, 2021 (Wednesday)
October 14, 2021 (Thursday)
November 9, 2021 (Tuesday)
December 7, 2021 (Tuesday)