



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

Investment Advisory Committee Meeting Minutes

Thursday, June 10, 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

The meeting was called to order at 10:00 A.M.

1. Approval of the BET Investment Advisory Committee Meeting Minutes

Mr. Drake made a motion, seconded by Mr. Duus, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on May 13, 2021. The Committee voted 4-0-0. Motion carried.

2. Review and approval of any proposed investment actions of the June 10, 2021 meeting of the OPEB Board

Ms. Yemets reported that the OPEB Board recommended selling the entire position of the Vanguard Russell 2000 Index ETF (VTWO) and invest enough into S&P 500 ETF (SPY) sufficient to keep the total equity allocation at 70% (total equity includes domestic and international equity positions) and invest the balance of the proceeds into PIMCO Income Fund (PIMIX). The Board's objective for the trade was to take the profits generated by the Vanguard Russell 2000 Index fund, reduce the equity investment from 77% of the portfolio to 70% and increase fixed income exposure. Ms. Yemets will use end of prior business day values to rebalance the portfolio. Ms. Kreuzer expressed concern about the small excess of funds in Fixed Income (above the then not yet BET-approved draft Investment Policy Statement).

Upon a motion by Mr. Drake, seconded by Mr. Duus, to approve the actions of the OPEB Trust, the Committee voted 2-1-1. (Opposed: Kreuzer; Abstain: Weisbrod). Motion carried.

3. Discussion of the request for proposal for Investment Advisory Services for the OPEB Trust Fund, issued May 24 with a response deadline of June 16, 2021

Essentially, the RFP is for a potential OCIO (Outsourced Chief Investment Officer) to manage the OPEB Trust. Ms. Yemets commented that a variety of questions were

received by the Purchasing Department from interested applicants but it is traditional for Purchasing to wait until the June 16 deadline has passed before making comments about response to the RFP.

Hardcopies of the RFP proposals will be circulated on June 17; the Committee was asked to review, score and return their input by June 21 so that finalist can be selected, interviews can be conducted, and a report of the results can be presented to the BET at its July meeting.

4. Discussion of potential nominees for a member of the OPEB Trust Board and for the Chair of the OPEB Trust Board

Mr. Mynarski reported that Mr. Stricker was resigning after more than a dozen years as the OPEB Chair. The IAC acknowledged his public service contribution and outstanding Trust Fund results to the Town. The other two members of the Trust Board, Mr. Pellegrino and Mr. Ferdinand, were nominated as Co-Chairs subsequent to Mr. Pellegrino's re-appointment for a three-year term.

The status of the OPEB Trust Board, however, may be re-evaluated if the BET would ultimately choose to have an OCIO to manage the OPEB Trust.

***RESOLUTION:** to nominate Mr. Joseph Pellegrino for a three-year term to the OPEB Trust Board.*

***RESOLUTION:** to nominate Mr. Joseph Pellegrino and Mr. William Ferdinand as Co-Chairs to the OPEB Trust Board for a one-year term.*

Upon a motion by Mr. Weisbrod, seconded by Mr. Drake, to recommend the two Resolutions regarding the OPEB Trust Board to the full BET for approval, the Committee voted 4-0-0. Motion carried.

5. Review Town's cash position as of May 31, 2021, actual cash flows for May 2021 and projected flows for June 2021

Ms. Yemets reported that the General Fund cash balance at the end of May was \$121,292,202, the appreciation earned by the General Fund was approximately \$36 thousand, and fiscal year to date appreciation was \$559 thousand.

The percentage of invested cash allocations were reviewed noting interest rates being earned on assets in each depository. Ms. Yemets remarked that the CT STIF allocation was moved to JP Morgan Chase and TD due to its interest rate dropping to zero on May 12, 2021. JP Morgan Chase and TD are still offering 10 and 15 bps respectively, Webster Bank plans to drop its interest rate to 6 bps effective June 1, 2021 and the CD Portfolio returned a blended rate of 1.47% (annualized).

The Cash report showed \$3.4 million collected in real estate taxes in May. Estimates of advanced real estate taxes anticipated in June range from \$1.5 million to \$30.0 million. Total cash inflows for the month were \$8.8 million and outflows were approximately \$27.0 million in May. The General Fund cash balance at the end of May was \$121.3 million which is \$12

million ahead of previous year. On June 7th the Town received the first Federal American Recovery Program (ARP) payment in the amount of \$9,596,592.00. The funds were deposited to the General Fund account and subsequently transferred to a separate account opened at TD and specifically designated for the Coronavirus relief funds. An additional \$6.1 million ARP money is also expected by the end of June 2021. The Committee requested that a new line be added to the Treasurer's Report to segregate grant funds for monthly tracking.

6. Old Business

No topics were scheduled for discussion.

7. New Business

No topics were scheduled for discussion.

6. Adjournment

Mr. Duus made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisory Committee at 11:00 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: July 15, 2021 at 10:00 A.M. via Zoom webinar.



Catherine Sidor, Recording Secretary



Andreas Duus, Chair, Investment Advisory Committee

Schedule of Investment Advisory Committee Meetings for calendar year 2021

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