



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

Investment Advisory Committee Meeting Minutes

Thursday, July 15, 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

Guest: William Ferdinand, Member, OPEB Trust Board

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 Ms. Kreuzer, to approve the Minutes of the Regular Meeting of the Investment Advisory Committee held on June 10, 2021. The Committee voted 4-0-0. Motion carried.

2. Review and approval of any proposed investment actions of the July 14, 2021 meeting of the OPEB Trust Board

Ms. Yemets reported that the OPEB Trust Board recommended selling the 2.8% excess of PIMCO Income Fund (PIMIX) above the Investment Policy Statement (IPS) maximum guideline limit of 20% for an individual actively managed fund. The proceeds were to be invested in PIMCO Enhanced Short Maturity Active ETF (MINT). Also proposed to be invested into MINT is the Town's net contribution to the OPEB Trust this year of \$883,365.88 currently invested in the Vanguard Federal Money Market Fund. Ms. Yemets commented that when an allocation reached 2% over its benchmark, rebalancing was required by the IPS. Although the OPEB Trust now meets only quarterly, Ms. Yemets as the OPEB Trustee can rebalance the Portfolio to the target allocations as necessary every month without IAC approval. Ms. Kreuzer remained concerned that a precedent would be established if an allocation outside the guidelines, however small, were to be approved. The Committee proceeded to a vote.

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

3. Discussion of the status for the review of the responses to request for proposal for Investment Advisory Services for the OPEB Trust Fund

Twelve responses to the RFP have been received from a variety of firms, including Neuberger Berman. Each member of the Committee had returned their evaluations and ranking to the Purchasing Department, which in turn will share the aggregate ranking of the proposals with the Committee members for their consideration at a meeting scheduled for July 22 at 4:00 P.M. Ms. Yemets commented that a variety of questions were received by the Purchasing Department.

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

Mr. Duus asked the Committee to email him their nominees. Ms. Kreuzer commented that the First Selectman and the RTM Moderator had assembled a list recently to make an appointment to the Retirement Board and that there might be suitable candidates for the OPEB Trust Board on that list. Mr. Duus will seek to obtain the list of names considered for the Retirement Board and share with the Committee. The question of the suitability of nominating a candidate for the OPEB Trust Board when an Outsourced Chief Investment Officer (OCIO) might be selected shortly, was considered. It was decided to identify a candidate for approval at the September meeting.

Mr. Ferdinand cautioned that an OCIO might not have the sensitivity to the business cycle and would be slow to react defensively when the markets experience downturns.

5. Review of Treasury Reports:

• Town's cash position as of June 30, 2021 and actual cash flows for June 2021

June inflows were \$35.5 million, of which \$27.0 million were tax collections. Other significant contributors to the revenues collected in June were conveyance tax (\$1.2 million), building permits (\$0.6 million), and a number of State grants. Total outflows amounted to \$37.6 million. The General Fund's cash position on June 30, 2021 was \$119.2 million, \$31.8 million higher than the balance as of June 30, 2020. The total tax collections in fiscal year 2021 were \$426.6 million, which includes fiscal year 2022 advanced payments.

• Projected flows for fiscal year 2022

The estimated forecast for July inflows was about \$130 million, provided the tax collections rate in July was similar to the ones in fiscal years 2019 and 2020. The outflows were estimated to total approximately \$58 million, which would include the Town's annual contributions to the Retirement Plan and OPEB, as well as semiannual payment to GEMS and July 15th debt service payments. The Chair commented that July 2021 ending cash position was projected to be less than that of 2019 or 2020; Ms. Yemets responded that the forecast was quite conservative.

• Bank deposit interest rates and earnings credit rates

Interest rates being paid for Town deposits in banks, CT STIF, and CDs were reviewed

- **CD Program holdings as of June 30, 2021**

Ms. Yemets reported that as of June 30, the CD Portfolio consisted of 90 holdings with total maturities of \$21.3 million and yields ranging from 10 bps to 3.068%. The Portfolio weighted average yield was 1.425% and average maturity was 1.235 years. All holdings had IDC rankings of 165 or higher.

6. Old Business

Mr. Duus noted that the BET Pension Liability Special Project Team, which comprises the same members as the IAC, will review the draft report prepared by Mr. Duus and Ms. Kreuzer, before circulating to a broader group for feedback before Labor Day.

7. New Business

Committee meetings will be held in person in conference rooms at Town Hall beginning with the September meeting. The Committee decided to change the time of the September meeting to 8:30 A.M.

8. Adjournment

Ms. Kreuzer made a motion, seconded by Mr. Weisbrod, to adjourn the Regular Meeting of the Investment Advisory Committee at 11:14 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: September 15, 2021 at 8:30 A.M. in the Mazza Conference Room at Town Hall.



Catherine Sidor, Recording Secretary



Andreas Duus, Chair, Investment Advisory Committee

Schedule Investment Advisory Committee Meetings for calendar year 2021

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