



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

**Investment Advisory Committee Meeting Minutes**  
Thursday, September 17, 2020  
Virtual Webinar

**Present:**

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

**Staff:** Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller;  
Demetria Nelson, Commissioner, Human Services Department,  
Nataliya Yemets, Treasurer

**BET Attendees:** Michael Mason, Chairman; Laura Erickson, Leslie Moriarty, Jeffrey S.  
Ramer, Leslie Tarkington

**RTM:** Scott Kalb (D-7), Legislative and Rules Committee

The meeting was called to order at 10:04 A.M.

**1. Approval of the BET Investment Advisory Committee Meeting Minutes**

Upon a motion by Mr. Drake, seconded by Ms. Kreuzer, the Committee voted 4-0-0 to approve the Minutes of the IAC Meeting of July 20, 2020. Motion carried.

**2. Review and approval of proposed investment actions of the September 17, 2020 OPEB Trust Board Meeting**

During the OPEB Trust's Board meeting of September 17, 2020, the Board reviewed the Town's annual contribution to the OPEB Trust (net of OPEB's FY2020 expenses) and voted to transfer \$117,857.53 from the Vanguard Federal Money Market Fund (VMFXX) to the Town's General Fund account. In a second action, the Board changed the target allocations to 65% domestic equity represented by SPDR S&P 500 ETF (SPY), 5% convertible securities represented by iShares Convertible Bond ETF (ICVT) and 30% U.S. fixed income. Ms. Yemets noted that approximately \$1.8 million in U.S. Treasury Bills will mature on 10/8/2020 and, if the Board doesn't take any action, the proceeds would be automatically swept into VMFXX.

Ms. Kreuzer made a motion, seconded by Mr. Drake to open discussion on the OPEB actions.

In the discussion that followed, Mr. Weisbrod praised the volunteers of the OPEB Trust Board for their dedication, but expressed concern that the decision to invest in a convertible bond

fund was taken by a vote of 2 of the 3 members due to an unanticipated absence. The Committee Chair commented that the matter would be taken up in the Policy Statement discussion to follow. Ms. Kreuzer noted that plenty of research material on convertibles had been disseminated to the OPEB Board and IAC in July, however, she was uncomfortable that the topic had not been thoroughly discussed during neither the July nor September meetings prior to the vote. Ms. Kreuzer also noted that what the Board was doing was within the Trust's rights given its current structure, however it was agreed that the IAC must clarify and define the process for the future.

Upon a motion by Ms. Kreuzer, seconded by Mr. Drake, the Committee voted 4-0-0 to approve the actions of the OPEB Trust. Motion carried.

### **3. Review of Treasury Reports**

- **Town's cash position**

Ms. Yemets reviewed the Treasurer's Report. The General Fund's balance at the end of August of \$172.4 million. The amount was about \$34.0 million lower than that recorded twelve months earlier, due primarily to the Town's tax deferral program. Ms. Yemets, however, expects that by October 1 deadline, the tax collections to catch up.

- **Invested Cash Allocations**

Ms. Yemets reviewed the percentage of funds and interest being generated in each of the depositories (TD Bank, Webster, CT STIF and Pershing CD program), noting that (a) the recent yield provided by CT STIF has declined significantly, to 0.11%, and (b) the yield on new CDs available through Pershing have dropped well below the 2.07% weighted average yield on the Town's CD portfolio. As a result, the 0.30% interest rate paid by TD Bank is now the highest among the Town five cash investment options. Ms. Kreuzer asked whether money market programs were available for municipalities that could potentially achieve higher rates than the CD program in the current environment. Ms. Yemets confirmed that there are some providers and would review them for comparative attractiveness; she noted, however, that the advantage would likely be small when factoring in cost of onboarding through Town process.

- **General Fund monthly cash flows: actual for July and August 2020 and projected for fiscal 2021**

Tax collection rates are projected to be close to the budgeted 99.5%. Despite the 3-month deadline deferral, collections in August and September were strong. Revenue from the tipping fees data entry input into MUNIS lags, and haulers' volume of dumping has decreased. COVID-19, FEMA and State reimbursements have been received by The Nathaniel Witherell and other Town's Departments. Encumbered funds and Departmental surpluses, including BOE, carried into FY2021 are estimated to be \$8.2 million. Mr. Duus commented that a new list of encumbrances and capital projects needs to be prepared. Ms. Yemets noted that July and August outflows seemed high because they included annual transfers to the Risk, Sewer Improvement and School Lunch funds, GEMS semiannual payment, annual contribution to the Retirement Plan, semiannual debt service payments totaling \$5.2 million, and higher vendor expenses that included preparation to open the schools in September.

Members of the Committee requested that Treasury prepares a schedule to list all Retirement Board administrative costs and OPEB expenses on a monthly basis.

4. **Discussion of OPEB Trust Investment Policy Statement**

The Committee proceeded with the discussion of OPEB Trust's process and structure. Additionally, it was decided that IAC will seek guidance from the Town's Legal Department to understand the Town's exposure since the Trust Board is composed of unpaid advisers. Among the options suggested were that professional management of an Outsourced Chief Investment Officer (OCIO) or possibly a passive investing approach be considered. The possibility of OPEB Trust meeting quarterly with a revised Policy Statement was discussed. It was decided to consider the real costs of risk, performance, the Bloomberg terminal subscription, the Treasurer's time, and that of IAC members in the decision-making process when considering the cost of an OCIO. It was suggested that Mr. Duus inform the BET of the direction being discussed by the IAC at its next meeting.

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

- IAC to review OPEB Trust meeting date schedule to consider matching schedules through June 2021
- Review Actuary's reports to be presented to OPEB Trust and Retirement Board
- Continue discussion with Vanguard and other potential OCIOs to review fees and investment options

6. **New Business** – None

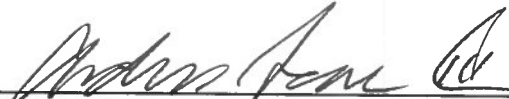
7. **Adjournment**

Ms. Kreuzer made a motion, seconded by Mr. Drake, to adjourn the meeting of the IAC at 11:41 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: October 15, 2020 at 10:00 A.M. either in Town Hall, Mazza Conference Room, or as a Virtual webinar.



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Catherine Sidor, Recording Secretary



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Andreas Duus, Chair, Investment Advisory Committee

**Schedule Investment Advisory Committee Meetings for calendar year 2020**

October 15, 2020 (Thursday) – Virtual Meeting or to be held in Mazza Conference Room, 1<sup>st</sup> Floor

November 10, 2020 (Tuesday) – Virtual or to be held in Human Services Conference Room,  
3<sup>rd</sup> Floor

December 8, 2020 (Tuesday) – Virtual Meeting or to be held in Mazza Conference Room, 1<sup>st</sup>  
Floor