TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
Investment Advisory Committee
Meeting Minutes - Thursday, September 20, 2018
Mazza Room, First Floor, Town Hall

Present:
Committee: David Weisbrod, Chairman; William Drake, Andreas Duus
Anthony Turner

Staff: Peter Mynarski, Comptroller; Eugene McLaughlin, Assistant Town
Attorney, Law Department; Kathleen Murphy, Treasurer; Nataliya Yemets,
Assistant to the Treasurer

BET: Karen Fassuliotis, Elizabeth K. Krumreich, Leslie Moriarty, Jill K.
Oberlander, Leslie Tarkington

Guests: Michael Savinelli, Neuberger Berman; David Skrodanes, Neuberger
Berman

Visitors: Joseph Pellegrino, Chair, Retirement Board; Robert Stricker, Chair,
OPEB Board; Marian Kreuzer, RTM

The meeting was called to order at 10:01 A.M.

1. Acceptance of the BET Investment Advisory Committee Meeting Minutes

Upon a motion by Mr. Turner, seconded by Mr. Drake, the Committee voted
4-0-0 to accept the Investment Advisory Committee Workshop Meeting
Minutes of July 20, 2018.

2. Review and Approval Actions of the OPEB Trust Board Meeting

The Chairman read a summary prepared by the OPEB Trustee of the actions that the OPEB
Board took at its meeting on September 11th. The summary outlined the approved
transactions as well as the rationale for each. The OPEB action items were as follows:

- The OPEB Board voted to sell 100% of the Portfolio's positions in the following S&P
500 SPDR sector ETFs: financials (XLF), materials (XLB), and industrials (XLI), and
100% of the Fidelity Select Technology Mutual Fund (FSPTX). 100% of the proceeds
of these sales are to be invested in the S&P 500 ETF (SPY).

- In a second action, the OPEB Board voted to sell sufficient shares in the Oakmark
International Fund (OAKIX) to reduce the portfolio's international equity exposure to
its benchmark weight, i.e. 10%; as of August 31, the portfolio exposure to international
equity was 4.5% over the benchmark weighting ($1.4 million). The proceeds of the
sale are to be reinvested in the Vanguard Fed Money Market Fund (VMFXX). The
Board decided to go to the benchmark weighting for the exposure to international
equity.

BET Investment Advisory Committee September 20, 2018 – Approved
In a third action, the OPEB Board voted to sell 100% of the Brandywine Global Unconstrained Bond Fund (LROIX) and reinvest the proceeds in the Vanguard Fed Money Market Mutual Fund (VMFXX).

Mr. Drake made a motion, seconded by Mr. Turner, to approve the actions of the OPEB Trust Board stated above. The motion was approved 4-0-0.

3. **Cash Management**
   - **Review status of plan to invest in Treasury Bills and Government Agencies** - Ms. Murphy commented that the IAC and the BET had previously approved increasing OPEB's investment in the Alvarez & Marshal's CD Program by $10 million. The funds were transferred to the custodian, US Bank, on August 1st.
   - **Review changes needed to the Cash Management Resolution to invest additional funds in the CD Program and to invest in Treasuries and Agencies, the changes will need to go to the BET for approval** – The BET approved a revised Cash Management Resolution at its July meeting, permitting the increase in the CD program. The original Resolution already permitted investment in Treasury bills and other government financial instruments. Ms. Murphy gave an update on the progress in opening a trading account at JPMorgan to invest in Treasuries. She commented that here had been a conference call between the respective attorneys and that although there are still open issues the Town's attorney is preparing a draft letter agreement with the terms they discussed in the call.

4. **Old Business** (none discussed)

5. **New Business**
   - **Review with Neuberger Berman proposal to change Retirement Plan custodial arrangement** – Mr. Weisbrod asked Mr. Pellegrino to summarize the process and issues for seeking to replace the current custodian, State Street Bank & Trust Company, with Neuberger Berman Trust Company (NB), the Retirement System’s Chief Investment Officer and Investment Manager.

   Mr. Pellegrino cited: 1) timeliness of performance reporting; 2) selection of investment opportunities; 3) operations integrity; 4) cost savings; and, 5) potential for enhanced portfolio performance. He reported that the Retirement Board had voted 3-2-0 in favor of the change. Mr. McLaughlin advised the IAC that the amendment to the NB contract appointing NB as Custodian had been reviewed with Mr. Smoot, the Retirement Board outside securities attorney. The BET Law Committee reported a 1-1-0 vote.

   Mr. Weisbrod asked that Mr. Savinelli, Client Advisor from NB, summarize the "pros and cons" of using NB versus the current Custodian.

   Members of IAC and BET members present were asked for their comments. Comments ranged from thoughts about execution details and backup/recovery concerns to the Treasurer’s reiteration of her opposition to using NB as Custodian as not “best practices”, which practices call for an independent Custodian. It was decided to postpone a motion on the custodial decision until IAC’s October meeting.
6. **Adjournment**

Mr. Drake made a motion, seconded by Mr. Duus, to adjourn the meeting at 12:05 A.M. The Committee voted 4-0 in favor of the motion.

Next Meeting Tuesday, October 23, 2018 at 10:00 A.M. in the Human Services Conference Room, 3rd Floor.

_Catherine Sidor_

Catherine Sidor, Recording Secretary

_David Weisbrod_

David Weisbrod, Chairman, Investment Advisory Committee

**Schedule IAC meetings through December 2018**

October 23, 2018 at 10:00 (Tuesday)
November 13, 2018 at 10:00 (Tuesday)
December 14, 2018 at 10:00 (Tuesday)