



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

Investment Advisory Committee Meeting Minutes
Thursday, October 15, 2020
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: Laura Erickson, Michael Mason

The meeting was called to order at 10:02 A.M.

1. Approval of the BET Investment Advisory Committee Webinar Minutes

Upon a motion by Mr. Drake, seconded by Mr. Duus, the Committee voted 4-0-0 to accept the Minutes of the IAC Virtual Meeting of September 17, 2020. Motion carried.

2. Review and approval of proposed investment actions of the October 15, 2020 OPEB Trust Board Meeting

During the OPEB Trust's meeting of October 15, 2020, the Trust Board voted to reduce the Portfolio equity allocation to 55% by selling a sufficient amount of SPDR S&P 500 ETF (SPY). The proceeds of the sale would be automatically swept into the Vanguard Federal Money Market Fund (VMFXX). As a result, the Portfolio allocations would be 55% in U.S. equity, 5% in iShares Convertible Bond ETF (ICVT) and 40% in domestic fixed income and cash. The OPEB Trust Board suggested that the recommendation should be considered a prudent step in light of the current market volatility and in anticipation of the upcoming national presidential election.

Chairman Duus proposed a motion to approve the actions of the OPEB Trust. The Committee voted 4-0-0 to approve the OPEB Trust recommendation. Motion carried.

3. Review of Treasury Reports

- **Town's cash position and invested cash allocations as of September 30, 2020**

Ms. Yemets highlighted the Town's total cash as \$227,481,806, of which \$165,645,616 was the General Fund balance. The cash is in deposits at three banks, the CT STIF and the CD program housed at Pershing, with interest yields ranging from 0.08% to 1.92%. Deposits at TD Bank had 49.8% of the General Fund cash position, a higher than normal percentage due to the inflow of tax payments.

The General Fund's September cash position was almost \$15 million lower than that in twelve months earlier, due to the following several reasons: the October 1st payroll (about \$8 million) was funded on September 30, thus three payrolls were funded in September in 2020; the Town's FY 2021 contribution to the Retirement Plan was approximately \$2.3 million higher than the annual contribution a year ago; and collection of property taxes being still somewhat behind in September (result of the tax deferral program).

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

Cash inflows for September were \$34 million, of which tax collection revenue was \$29 million. Conveyance tax collections of almost \$1 million were slightly lower than previous month, but higher than the forecast. Notable expenses included funding of October 1 payroll and \$1 million TOG/GLT (Public/Private Partnership Easement) purchase from Aquarion. The tax collections through October 13 have almost caught up with the collection level a year ago, only lagging by approximately \$1.4 million.

- **Deposit/investment interest rates**

The Committee reviewed interest rates paid by each of the Town's depositories as well as STIF and the CD Program. Ms. Yemets reported that CT STIF interest rate dropped to 7 bps in September, triggering a rebalancing of the Town's cash position in favor of TD Bank and JP Morgan Chase. Looking for yield possibilities, the Committee questioned the value of earnings credit, considered if adding other types of liquid insured deposit accounts or investing in CDs from banks with IDC rankings below the required 165 would boost income revenue.

- **CD Program holdings as of September 30, 2020**

The Town currently enjoys its highest investment interest yield from the CD Program, particularly from one to three-year maturities purchased in 2019 and prior. Financial Northeastern Companies (FNC), the Town's CD program advisor, has diversified the CDs maturities for returns from previous "peaks and valleys" to maturities across twelve months. The current portfolio's maturities total \$20,425,000 invested in 87 securities. The CD yields range from 0.100% to 3.068% with weighted average yield being 1.916%. The Portfolio's weighted average maturity is 1.3 years. All CDs have IDC ranking of 165 or higher.

- **OPEB and Retirement Plan actual revenues and expenses (excluding market appreciation/depreciation)**

Ms. Yemets presented a report showing OPEB Trust and the Town's Retirement System revenues and expenses incurred in July – September of 2020. The Committee requested additional clarification of the Town's protocol of ins/outs, a system of "due to due from"

year-end transfers to understand any impact on Mill Rate for FY2021-2022 Budget planning.

4. **Discussion of OPEB Trust Investment Policy Statement (IPS)**

Mr. Duus commented that he is still considering whether OPEB's IPS should reflect a schedule of only quarterly meetings, increase its equity position and whether OPEB's current volunteer Trust Board was incurring fiduciary risk without professional liability protection. The Committee questioned if Town's Actuarial consultant should be queried about allowing increased risk for its Portfolio. Outsourcing the Trust's investment management will be explored informally and discussed at the November meeting given the changes being considered for possible revisions to its IPS.

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

Joining at the next meeting of the IAC will be Mr. Gregory Stump of Boomershine Consulting Group, who will present his firm's Actuarial Valuation of the Town's Other Post-Employment Benefits as of July 1, 2020.

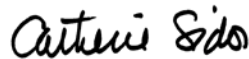
In advance of the meeting, Dr. Duus will collect and forward to Mr. Stump any questions from Committee members would like addressed.

6. **New Business** – None

7. **Adjournment**

Mr. Weisbrod made a motion, seconded by Ms. Kreuzer, to adjourn the Regular Meeting of the Investment Advisor Committee at 11:55 A.M. The Committee voted 4-0-0. Motion carried.

Next Meeting: November 10, 2020 at 10:00 A.M. via virtual Zoom webinar.



Catherine Sidor, Recording Secretary



Andreas Duus, Chair, Investment Advisory Committee

Schedule Investment Advisory Committee Meetings for calendar year 2020

November 10, 2020 (Tuesday)
December 8, 2020 (Tuesday)
January 13, 2021 (Thursday)
February 11, 2021 (Thursday)
March 11, 2021 (Thursday)
April 8, 2021 (Thursday)
May 13, 2021 (Thursday)
June 10, 2021 (Thursday)