

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

October 23, 2008 Minutes – Gisborne Conference Room

The regular meeting of the Retirement Board was called to order at 7:30 a.m.

In attendance were:

Members Present: Michael, Pagliaro, Chairman
John Chadwick
David D'Andrea
Mark Kordick
Peter Mynarski

Staff: James Lavin, Retirement Plans Administrator

Other: Larry Simon and Arthur Norton, BET Liaisons
Douglas Moseley, NEPC

Chairman Pagliaro noted that a quorum was present.

APPROVAL OF MINUTES

The Board reviewed the September 17, 2008, minutes of the Regular Meeting of the Retirement Board. Technical corrects were made on page 1, first line under Administrator's Report, insert "briefed" for "brief". On page 3, paragraph three, change statement to "Mr. Chadwick noted that the dollar's strength should cause returns to decrease in the bond market".

Upon a motion by Mr. Chadwick, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the Minutes for the September 17, 2008, Regular Meeting of the Retirement Board as amended above.

The Board reviewed the September 30, 2008, minutes of the Special Meeting of the Retirement Board.

Upon a motion by Mr. Kordick, seconded by Mr. Chadwick, the Board voted 5-0-0 to approve the Minutes for the September 30, 2008, Special Meeting of the Retirement Board.

ADMINISTRATORS REPORT

Mr. Lavin noted that the Welsh Carson Anderson & Stowe agreement for investment in its Growth Equity Fund XI is under review by the Law Department. Copies of the Town Attorney's memorandum on the Freedom of Information Act, and the Actuary's estimated projections of future plan contributions were provided for the Board' information. The semi-annual audit of payments to retirees was reviewed in September and verified no payments were made to deceased retirees.

Upon a motion by Mr. D'Andrea, seconded by Mr. Chadwick, the Board voted 5-0-0 to accept the administrator's report.

Retirees

The Board reviewed the retirement profile for the below individuals:

Paula Belmont, Widow of Anthony Belmont,	Eugenio Pirri
Nickie Altomaro	Gail Nielson

Upon a motion from Mr. Kordick, seconded by Mr. Chadwick, the Board voted 5-0-0 to approve service retirements for the above listed individuals.

Approval of Payments

Reserve Fund

V Pensioners -- October payroll	\$ 1,686,176.98
Refund -- Paula Belmont widow of Anthony Belmont	25,674.94
Refund -- Stephen Ellerin terminated employment Feb. 29, 2008	<u>2,463.80</u>
Reserve Fund Total	1,714,315.72

Expense Fund

SV Buckhead Capital Management	Prof. Svcs. July to Sept. 2008	33,129.67
Crystal Rock	Office Supplies	74.66
Greenwich Hospital	Joseph Gleason Exam	320.00
NYConn Orthopedic & Rehab Specialists	Lee Leonard Exam	800.00
State Street Corp.	Sept. 2008 Custody Svcs n/a	8,583.91
USI Consulting Group	Sept. 2008 Svcs.	650.00
Wachovia Bank	Aug & Sept. 2008 Payroll Services	6,039.46
Westy Self Storage	Oct. Archive Storage	<u>292.00</u>
	Expense Fund Total	49,889.70

Payroll

PV Vanesa Francis	9/1 -- 9/30/08	5,229.08
James Lavin	9/1 -- 9/30/08	<u>8,885.51</u>
	Payroll Fund Total	14,114.59

Grand Total \$ 1,778,320.01

Upon a motion by Mr. Kordick, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the payments and refunds as submitted.

Military Service

One. Mr. Lynden Latiak has applied to purchase four years of military service. The Board reviewed his application dated September 16, 2008. The Retirement Plans Administrator recommends its approval as it conforms to policy.

Upon a motion by Mr. Kordick, seconded by Mr. D'Andrea, the Board voted 5-0-0 to approve four years of military service for Mr. Lynden Latiak.

INVESTMENT PERFORMANCE AND LIQUIDITY REPORT

Mr. Moseley presented the September 30, 2008, Flash Report and also provided a market update as of October 17, 2008. September was a negative month in the markets and October has also proved to be negative so far. It is likely that the economy is in recession. The Board's decision to increase its cash position by \$10 million last month was beneficial.

Commercial real estate's performance was flat but it will eventually decline as the economy weakens. People are holding back due to economic uncertainty and volatile markets.

The Board questioned BlackRock's performance. The strategy BlackRock described to the Board last spring needs to start working. It may be time to consider selling BlackRock and investing those funds elsewhere. Mr. Moseley will review that item and advise accordingly.

Mr. Mynarski described the process that Greenwich's Treasurer is using to increase interest returns on the town's short-term cash investments. The Board discussed this process and is interested in applying it to increase interest returns on its cash balance in the Short Term Investment Fund with State Street Bank.

Upon a motion from Mr. Chadwick, seconded by Mr. Mynarski, the Board voted 5-0-0 to liquidate \$3.2 million from Loomis Sayles for payroll expenses and to deposit the balance in the STIF with State Street Bank.

Upon a motion from Mr. Mynarski, seconded by Mr. D'Andrea, the Board voted 5-0-0 to invest with four banks approved by the Board of Estimate and Taxation \$5 million of the cash balance in the STIF with State Street Bank.

OLD BUSINESS

The draft updated plan document was briefly discussed. Mr. Kordick comments have been forwarded to the researcher preparing the document for the Board's final review.

NEW BUSINESS

PIMCO

Mr. Robert Morena, Senior Vice President, and Mr. Adrian Schultes, Vice President and Account Manager, PIMCO provided a presentation to the Board on its Distressed Senior Credit Opportunities Fund.

Mr. Morena provided an explanation on the systemic de-leveraging of senior assets caused by the United States housing market. Banks are forced to sell off their strongest assets to meet credit obligations as the markets for securities have frozen up. Investors who can provide stable, longer-term liquidity have the opportunity to capture historic wide spreads on senior bonds with minimal expected credit risk.

The Board asked several questions concerning the length of the investment period, the amount of the investment, the time period over which the funds would be drawn and the cost of fees.

Chairman Pagliaro thanked Messrs Morena and Schultes for their presentation and advised them that NEPC would inform them of the Board's decision on its interest in the investment.

Wellington Management

Mr. Stephen J. Boxer, Vice President and Investment Director and Ms. Michell A. Hicks, Vice President and Business Development Manager, provided a presentation to the Board on credit opportunities.

Mr. Boxer gave an overview of Wellington, which is a private partnership with 105 partners all active in the business. He noted that they have \$185 billion in assets with the Portfolio objective to capitalize on the re-pricing of risk premiums in the fixed income markets. The Portfolio invests in bank loans, structured finance securities and high yield debt. There is no leverage through the borrowing of securities.

The Board asked several questions concerning the length of the investment period, the amount of the investment, the time period over which the funds would be drawn and the cost of fees.

Chairman Pagliaro thanked Mr. Boxer and Ms. Hicks for their presentation and advised them that NEPC would inform them of the Board's decision on its interest in the investment.

EXECUTIVE SESSION

The Board voted unanimously to go into executive session to discuss one application for an accidental disability retirement at 10:25 a.m.

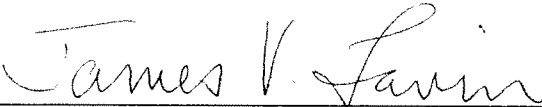
The Board voted unanimously to come out of executive session at 10:35 a.m.

Upon a motion from Mr. D'Andrea, seconded by Mr. Mynarski the board voted 5-0-0 to approve an accidental disability retirement for Mr. Lee Leonard upon receipt of a signed medical report.

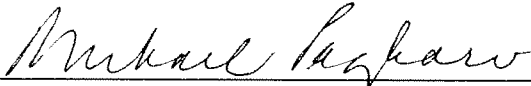
ADJOURNMENT

The motion to adjourn was made, seconded and carried unanimously at 10:37 a.m.

Respectfully Submitted,



James V. Lavin, Acting Secretary to the Board



Michael Pagliaro, Chairman