

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

October 22 2009 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: John Chadwick, Chairman
 Kevin Coyner
 Mark Kordick (excused)
 Ronald Lenihan
 Peter Mynarski

Staff: James Lavin, Retirement Plans Administrator

Others: Larry Simon and Art Norton, BET Liaison
 Douglas Moseley, NEPC
 Robert Kavee, RTM
 Timothy Shaffer, Esq., Guest
 Nadia Gabrieli, Guest

Chairman Chadwick noted that a quorum was present and opened the meeting.

APPROVAL OF MINUTES

The Board reviewed the September 24, 2009, minutes of the Regular Meeting of the Retirement Board. There were several questions on the minutes and the Board decided to postpone approval of them.

ADMINISTRATORS REPORT

Mr. Lavin provided an updated report on details for a Retiree Audit. After discussion, the Board directed Mr. Lavin to move immediately ahead with the Retire Audit.

Changes to the RFP for investment management services were sent to USI Consulting for final approval.

Mr. Lavin met with the IT Director and Comptroller to discuss converting the spreadsheet application for preparing the annual cost of living increases for retirees into a database. Additional information will be provided next month.

The Board of Estimate and Taxation approved the contract amendment with State Street Global Advisors to invest in its Treasury Inflation Protection Securities Index Non Lending Fund and its Dow Jones AIG Commodity Index Non-Lending Fund.

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner the Board voted 4-0-0 to accept the Administrators' report.

RETIREEES

The Board reviewed the retirement profile for the below individual:

Michael Pacewicz

Upon a motion from Mr. Mynarski, seconded by Mr. Lenihan the Board voted 4-0-0 to approve a service retirement for the individual listed above.

APPROVAL OF PAYMENTS

Reserve Fund

| | | |
|---|--|-----------------|
| V Pensioners -- September payroll | | \$ 1,826,521.19 |
| Marie-Phonise -- refund of contributions, resigned 8-7-09 | | 11,068.90 |
| John Stashenko -- refund of surplus contributions | | <u>3,209.14</u> |
| | | 1,840,799.23 |

Expense Fund

| | | |
|---------------------------------------|--------------------------------|---------------|
| SV Artio Global Investors | Prof. Svcs. July to Sept. 2009 | 70,855.81 |
| Buckhead Capital Mgt. | Prof. Svcs. July to Sept. 2009 | 30,483.91 |
| Business Week | Magazine subscription | 60.00 |
| Crystal Rock | Office Supplies | 49.35 |
| Diversified Investment Advisors | Prof. Svcs. July to Sept. 2009 | 22,500.00 |
| EFI, Actuaries | Prof. Svcs. July to Sept. 2009 | 10,775.00 |
| Metro-North Transportation (J. Lavin) | AIG Annual Meeting in NYC | 11.75 |
| Staples | Office Supplies | 83.39 |
| State Street Bank | Custodian Svcs Sept. 2009 | n/a |
| USI Consulting Group | Sept. 2009 Svcs. | 650.00 |
| Wachovia Bank | Sept. 2009 Payroll Services | 3,330.25 |
| Westy Self Storage | Archival Storage | 292.00 |
| Xerox | Sept. 2009 Duplicating | <u>209.67</u> |
| | Expense Fund Total | 139,301.13 |

Payroll

| | | |
|---------------------------------|---------------------------|-----------------|
| PV Retirement Plans Coordinator | 9/1 -- 9/30/09 | 5,397.16 |
| Retirement Plans Administrator | 9/1 -- 9/30/09 | <u>8,913.80</u> |
| | Payroll Fund Total | 14,310.96 |

Grand Total \$ 1,994,411.32

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 4-0-0 to approve bill payments listed above.

MILITARY SERVICE

None.

INVESTMENT PERFORMANCE AND LIQUIDITY REPORT

Mr. Moseley then presented the September 30 2009 Flash Report. The market's performance for September was robust as all indexes were positive. The composite index showed an increase of 2.7%, with the year to date increase at 13.6%. The Standard and Poor's 500 index increased 3.7%, while the small cap Russell 2000 index was up 6.4%, and the international MSCI EAFE index increased by 3.8%. The Allocation Index shows an increase of 2.7% and the Policy Index increased by 2.9%. As a comparison, the universe of public funds showed year to date increases of between 12 to 18%.

Buckhead Capital outpaced its benchmark for September as did Artio Global Management. Artio, however, trails its year to date benchmark by 8%.

BlackRock outperformed its benchmark year to date but has not done as well as other bond funds. Loomis Sayles has handily outperformed its benchmark year to date.

ING Clarion recently has taken a 13% write-down of assets. The negative real estate is hopefully leveling off. AIG is planning to draw down its capital over the second half of the year to invest in some 1000 companies.

Chairman Chadwick asked questions on the Allocation Policy Index and if it is reflecting the private equity and real estate investments. A discussion ensued on this item. Mr. Moseley will provide a financial composite that doesn't include private equity and real estate.

Mr. Moseley provided the Board a schedule showing a Summary of Risk Statistics – Active Mangers as of June 30, 2009. A discussion of this schedule occurred. Mr. Lenihan inquired when the attribution statistics would be available and Mr. Moseley advised they would be provided at next month's meeting.

The liquidity of the portfolio was discussed in view of monthly retiree payrolls and the upcoming investments in TIPS and Commodity indexes. After discussion the following resolutions were made:

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 4-0-0 to take \$7.5 million from BlackRock to fund the Treasury Inflation Protection Securities Index Non Lending Fund investment.

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 4-0-0 to take \$9.8 million from the S & P 500 Fund to fund the Dow Jones AIG Commodity Index Non-Lending Fund in the amount of \$7.5 million. The balance of \$2.3 million will be deposited into the State Street STIF fund for retiree payroll.

Mr. Moseley noted that there was no one on the Watch List.

OLD BUSINESS

The Request for Proposals for investment management services is in process with USI. On the issue of interest rates credited to employee accounts, Mr. Lavin advised the Board that he has asked for the issued to be reviewed by the Director of Laborer Relations to ensure there are no collective bargaining issues.

NEW BUSINESS

None.

EXECUTIVE SESSION

The Board voted unanimously to go into executive session to discuss two applications for disability retirements at 9:10 a.m.

Mr. Timothy Shaffer, Esq. and Ms. Nadia Gabriele participated in the executive session until 9:30 a.m.

The Board voted unanimously to come out of executive session at 9:55 a.m.

No action was taken by the Board.

ADJOURNMENT

The motion to adjourn was made, seconded and carried unanimously at 9:56 a.m.

Respectfully Submitted,

James V. Lavin, Acting Secretary to the Board

John D. Chadwick, Chairman