

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

September 24, 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 (excused)
 Mark Kordick
 Ronald Lenihan
 Peter Mynarski

Staff: James Lavin, Retirement Plans Administrator

Others: Larry Simon, BET Liaison
 Douglas Moseley, NEPC
 Robert Kavee, RTM

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

APPROVAL OF MINUTES

The Board reviewed the August 27, 2009, minutes of the Regular Meeting of the Retirement Board. One name misspelling and page footer mistakes were noted. Mr. Lavin advised he would make the corrections.

Upon a motion by Mr. Mynarski, seconded by Mr. Kordick, the Board voted 4-0-0 to approve the Minutes for the August 27, 2009, Regular Meeting of the Retirement Board as amended.

ADMINISTRATORS REPORT

Mr. Lavin provided a report on pension contributions made by Mr. John Stashenko. He recommends that contributions stop at the end of September 2009, with excess contributions refunded to the employee.

Upon a motion by Mr. Kordick, seconded by Mr. Mynarski, the Board voted 4-0-0 to stop current deductions of pension contributions and approved the refund of excess contributions for Mr. Stashenko.

There was an update on the progress of getting legal approval of contracts with State Street Global Advisors. The documents will be reviewed at the October 2009 meeting of the Board of Estimate and Taxation.

A capital call contribution for \$150,000 was received from Welsh Carson Anderson and Stowe dated September 15, 2009. This payment will be made from the State Street Bank Short Term Investment Fund on September 28, 2009.

Two amendments were received as listed below:

1. AIG PEP V Asia L.P. and AIG PEP V Preferred Participation Fund. The purpose of this amendment is described in the documents provided.
2. WCAS Capital Partners IV, L.P. The purpose of this amendment is described in the documents provided.

Upon review and discussion of the above documents, the following motions were made:

Upon a motion by Mr. Mynarski, seconded by Mr. Kordick the Board voted 4-0-0 to take \$150,000 from the State Street Bank STIF to meet the capital call from WCAS.

Upon a motion by Mr. Lenihan, seconded by Mr. Kordick the Board voted 4-0-0 to authorize the Chairman to sign the AIG PEP V Asia L.P. and the AIG PEP V Preferred Participation Fund Amendments.

Upon a motion by Mr. Lenihan, seconded by Mr. Mynarski the Board voted 4-0-0 to authorize the Chairman to sign the WCAS Capital Partners IV, L.P. Amendment.

Upon a motion by Mr. Kordick, seconded by Mr. Mynarski the Board voted 4-0-0 to accept the Administrator's report.

RETIREES

The Board reviewed the retirement profile for the below individuals:

Elizabeth Linck James Marr

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

APPROVAL OF PAYMENTS

Reserve Fund

Pensioners -- September payroll		\$ 1,826,521.19
Anthony Reynolds -- refund of contributions, resigned 9-16-08		9,371.01
Elizabeth Linck -- refund of contributions, retirement 10/01/09		<u>65,446.12</u>
		1,901,338.32
BlackRock	Prof. Svcs. April to June 2009	54,678.00
Crystal Rock	Office Supplies	42.40
Shipman & Goodwin, LLP	Prof. Svcs. Through Aug. 31 2009	6,792.50
Staples	Office Supplies	69.13
State Street Bank	Custodian Svcs July & Aug. 2009	14,617.73
USI Consulting Group	Aug. 2009 Svcs.	650.00
Wachovia Bank	Aug. 2009 Payroll Services	3,093.73
Xerox	July & Aug. 2009 Duplicating	<u>36.08</u>
	Expense Fund Total	79,979.57
Retirement Plans Coordinator	8/1 -- 8/31/09	5,387.82
Retirement Plans Administrator	8/1 -- 8/31/09	<u>8,913.80</u>
	Payroll Fund Total	14,301.62
	Grand Total	<u>\$ 1,995,619.51</u>

Upon a motion from Mr. Kordick, seconded by Mr. Mynarski, the Board voted 4-0-0 to approve bill payments listed above, including the refund issued to Ms. Linck.

MILITARY SERVICE

None.

INVESTMENT PERFORMANCE AND LIQUIDITY REPORT

Mr. Moseley of NEPC reiterated his recommendation that Greenwich not invest in the True Temper investment provided by Gilbert Global. Chairman Chadwick concurred with this recommendation, as did other members of the Retirement Board.

Mr. Moseley then presented the August 31 2009, Flash Report. August continued the market's strong performance in recent months. The composite index showed an increase of 2.3%, with the year to date increase at 10.6%. The Standard and Poor's 500 index increased 3.6%, while the small cap Russell 2000 index was up 2.9%, and the international MSCI EAFE index increased by 5.4%. The Allocation Index shows an increase of 2.6% and the Policy Index increased by 2.8%.

In actively managed equities, there was discussion on the performance of Artio Global Management; Mr. Moseley described Artio's investment styles and the Board questioned Artio's outlook. It was decided not to bring Artio in for a review but to monitor their performance.

While BlackRock slightly outperformed its benchmark there is concern that their risk controls did not protect on the downside but seem to be limiting the upside value. Mr. Moseley will prepare to have a discussion on the merits of active versus passive management in this area.

Chairman Chadwick is concerned about the Policy Index. It may be mismatched against its benchmark. Mr. Moseley shall breakout the Policy Index components to analyze that possibility and advise the Board accordingly.

Mr. Lenihan inquired on how the Alpha report is coming. Mr. Moseley noted that he will have a draft report on the quarter for next month's meeting.

Mr. Moseley handled out the below documents:

- Memo dated September 22, 2009 on Existing Managers External Audit of Controls (SAS - 70 Audit)
- September market updates through September 21, 2009

Since there is over two months of payroll in cash, Mr. Moseley does not believe it necessary to liquidate any of the portfolio to meet retiree payroll requirements. Mr. Chadwick concurred that payroll should come from cash.

Upon a motion from Mr. Kordick, seconded by Mr. Lenihan, the Board voted 4-0-0 to take \$1.7 million from the STIF with State Street Bank, to meet the September retiree payroll.

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

OLD BUSINESS

The Board reviewed the draft report of specifications for the Request for Proposals for investment management services. This draft included comments from Chairman Chadwick. The Board had no additional changes and the draft specifications will be provided to USI and the Purchasing Department for preparation of the RFP.

NEW BUSINESS

Mr. Steven Costabile, CFA, Managing Director, and Head of Private Funds Group, Mr. Jeremy Bergman, Vice President, Private Funds Group, Sergio D. Ramirez, Vice President, and Kenneth McRay, Vice President of AIG Private Equity Portfolio V, presented the Board with a report on PEP V's investment performance as of June 30, 2009.

Chairman Chadwick requested an update on AIG's commitment to PEP V., and he wanted to know what would happen if AIG defaulted. Mr. Costabile stated that despite a turbulent year, AIG has honored all of its commitments to PEP V. To obtain liquidity, AIG is negotiating with another investor to sell its position in PEP V probably by the end of the year. Mr. Costabile also provided an explanation of what would happen if AIG defaulted on its commitment.

Mr. Costabile expects PEP V to earn relative market returns long term but not absolute returns. He expects improvements in the portfolio, especially in the mark to market valuations of the fund, going forward as the general market improves. The investment performance of the various "sleeves" was reviewed. Mr. Costabile noted that many of the funds have ample reserves of "dry powder" to take advantage of future opportunities.

Chairman Costabile thanked Mr. Costabile and other members of his group for their report.

EXECUTIVE SESSION

The Board voted unanimously to go into executive session to discuss two applications for disability retirements at 9:15 a.m.

The Board voted unanimously to come out of executive session at 9:28 a.m.

Upon a motion from Mr. Mynarski, seconded by Mr. Kordick, the Board voted 4-0-0 to approve an accidental disability retirement for Richard Daly.

ADJOURNMENT

The motion to adjourn was made, seconded and carried unanimously at 9:29 a.m.

Respectfully Submitted,

James V. Lavin, Acting Secretary to the Board

John D. Chadwick, Chairman