

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

July 23, 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: Michael, Pagliaro, Chairman
John Chadwick
Kevin Coyner
Mark Kordick
Peter Mynarski

Staff: James Lavin, Retirement Plans Administrator
Roland Gieger, Budget Director

Other: Larry Simon and Arthur Norton, BET Liaisons
Douglas Moseley, NEPC
Greg Stump, EFI Actuaries
Leslie Tarkinton, BET
Don Bowers, Guest
Peter Dott, Guest
Carol DeSalvo, Guest
Robert Kavee, Guest

Chairman Pagliaro noted that a quorum was present.

APPROVAL OF MINUTES

The Board reviewed the June 25, 2009, minutes of the Regular Meeting of the Retirement Board.

Upon a motion by Mr. Chadwick, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the Minutes for the June 25, 2009, Regular Meeting of the Retirement Board.

ADMINISTRATORS REPORT

Mr. Lavin reported that as many as 69 employees will retire from April 1, to September 1, 2009.

USI Consulting presented a fee schedule for preparing specifications for the Request for Proposals for Investment Management Services. The Board unanimously selected the Limited Service Project Plus.

Subject to Approval

The Town Of Greenwich's annual contribution to the pension fund was wired to State Street Bank on July 17, 2009.

Upon a motion by Mr. Chadwick, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the Minutes for the June 25, 2009, Regular Meeting of the Retirement Board.

RETIREES

The Board reviewed the retirement profile for the below individuals:

Margaret Applegate	Victoria Bulazel	William P. Cameron	Gail M. Downing
Gail Mills	Anna Jones	Frank Palumbo	Rosa Palumbo
Peter Holland, et al	James Krasniewicz, et al		

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

APPROVAL OF PAYMENTS

Reserve Fund

V Pensioners -- July payroll	\$ 1,745,223.85
Margarette Dort -- refund of contributions, resignation 04/27/08	6,089.96
Erma Wellington -- refund of contributions, retirement 07/01/09	<u>17,197.97</u>
	1,768,511.78

Expense Fund

SV Artio Global Investors (2 quarters)	Prof. Svcs. Jan. to June 2009	115,141.01
Crystal Rock	Office Supplies	60.55
Diversified Investment Advisors	Prof. Svcs. April to June 2009	22,500.00
EFI Actuaries	Prof. Svcs. April to June 2009	9,025.00
Greenwich Hospital	Medical exam (2)	354.00
Shipman & Goodwin, LLP	Prof. Svcs. June 2009	4,032.50
Staples	Office Supplies	219.22
State Street Bank	Custodian Svcs May & June	16,219.75
USI Consulting Group	June 2009 Svcs.	650.00
Wachovia Bank	June 2009 Payroll Services	-
Westy Self Storage	Archive Storage	292.00
Xerox	June Duplicating	<u>176.64</u>
	Expense Fund Total	168,670.67

Payroll

PV Retirement Plans Coordinator	6/1 -- 6/30/09	5,229.08
Retirement Plans Administrator	6/1 -- 6/30/09	<u>8,913.80</u>
	Payroll Fund Total	14,142.88

Grand Total \$ 1,951,325.33

Upon a motion from Mr. Coyner, seconded by Mr. Chadwick, the Board voted 5-0-0 to approve bill payments listed above.

Subject to Approval

MILITARY SERVICE

None.

INVESTMENT PERFORMANCE AND LIQUIDITY REPORT

Mr. Moseley of NEPC presented the June 30 2009, Flash Report. June was a flat month as the composite index showed a decrease of .3%, with the year to date increase at 3.0%. Other indexes such as the Standard and Poor's 500 and the Russell 1000 showed .2% increases. The small cap Russell 2000 index was up 1.5% and the international MSCI EAFE index decreased by .6%. The Allocation Index shows an increase of .2% and the Policy Index increased by .3%.

In actively managed equities, Buckhead Capital trailed its benchmark as did Artio Global.

The fixed income area continues to show recovery. BlackRock once again slightly outperformed its benchmark while Loomis Sayles significantly outperformed its benchmark.

Buckhead Capital will update the Retirement Board on its performance and outlook at today's meeting.

The Short Term Investment Fund with State Street Bank has over \$7 million in cash.

Upon a motion from Mr. Kordick, seconded by Mr. Coyner, the Board voted 5-0-0 to take \$1.6 million from the STIF with State Street Bank, to meet the July retiree payroll.

OLD BUSINESS

Mr. Lavin provided the interested amount applied to employee's retirement accounts for the last two fiscal years.

NEW BUSINESS

Mr. David S. Griffin, CFA, of Buckhead Capital Management, LLC presented the Board with a Second Quarter 2009 Report. He described a difficult environment in the small capital value portfolio, however, the company is stable and there has been no loss of clients.

Buckhead remained fully invested during the poorly performing first quarter of 2009 with less than 10% in cash. They have protected capital on the downside, and believe they will benefit on the upside as shown by their strong performance in May 2009. However, they are looking at a muted market for the next 9 to 12 month.

Mr. Chadwick questioned their process for deciding when to sell a stock. Mr. Griffen responded that they set target prices and sell when the stock hits its target. Should a stock underperform without an explanation, it is sold.

Mr. Coyner asked for an explanation on their risk control. Buckhead has no stock over 5% of the portfolio nor does it have more than 35% in any one sector. They meet with companies at least once a year and participate in quarterly conference calls. No companies in their portfolio have any issues nor do they have any companies on a watch list.

Chairman Pagliaro thanked Mr. Griffen for his report.

Mr. Greg Stump, FSA, EA, MAAA of EFI Actuaries presented the Board with an Inter-period Review on the impact of fiscal year 2009 poor investment performance, as well as assumptions, methods, and policies.

Preliminary review of the investment performance as of June 30, 2009, indicates that the funding ratio of the Retirement System will decrease from 98% to an estimated 83%. A substantial town contribution increase will be required for July 2010. The Board questioned options available to it such as going to a 10 year smoothing method from the current 5 year smoothing method, as well as the impact if the investment rate of return was reduced from 8.5% to 8.0%

Mr. Stump explained various contribution and funding patterns for the Board to consider. There will be a need to model stochastically any changes. Policy comparisons on switching to the 10 year smoothing method from 5 year smoothing method were charted. There were also concerns on the volatility that these changes would cause.

Chairman Pagliaro thanked Mr. Stump for his report.

ADJOURNMENT

The motion to adjourn was made, seconded and carried unanimously at 10:00 a.m.

Respectfully Submitted,

James V. Lavin, Acting Secretary to the Board

Michael Pagliaro, Chairman