

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

April 23, 2009 Minutes – Gisborne Conference Room

The regular meeting of the Retirement Board was called to order at 7:35 a.m.

In attendance were:

Members Present: Michael, Pagliaro, Chairman
John Chadwick
Kevin Coyner
Mark Kordick
Peter Mynarski

Staff: James Lavin, Retirement Plans Administrator

Other: Larry Simon and Arthur Norton, BET Liaisons
Douglas Moseley, NEPC
Greg Stump, EFI
Evan Dowd, Guest
Joseph Fahrs, Guest
Robert Kavee, Guest

Chairman Pagliaro noted that a quorum was present.

APPROVAL OF MINUTES

The Board reviewed the April 2, 2009, minutes of the Regular Meeting of the Retirement Board.

Upon a motion by Mr. Chadwick, seconded by Mr. Kordick, the Board voted 5-0-0 to approve the Minutes for the April 2, 2009, Regular Meeting of the Retirement Board.

ADMINISTRATORS REPORT

Mr. Lavin reported that as many as 35 employees may be taking the Retirement Incentive Plan. Mr. Mynarski noted that Mr. Lavin will be invited to the May meeting of the Human Resources Committee to provide an update of employees retiring.

The Board reviewed Amendment Number 2 for the Retirement System, as prepared by Attorney Natalie Welsh. Once approved, Attorney Welsh will submit the document to the Internal Revenue System by June 30, 2009, to comply with regulations. A question was poised as to whether the Board of Estimate and Taxation also needs to approve this amendment. Mr. Lavin advised he would check with Attorney Welsh and report her opinion on this matter.

Upon a motion by Mr. Kordick, seconded by Mr. Coyner, the Board voted 5-0-0 to approve Amendment Number 2 for the Retirement System.

A draft request for proposals for investment management services was submitted to the Purchasing Department. However, the draft was returned by Purchasing to be placed on a different format.

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

Retirees

The Board reviewed the retirement profile for the below individuals:

Daniel Ahern	Annie Green	Robert Littlejohn
Bernice Moss	Antonio Rivera	Virginia Steadman

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

Approval of Payments

Reserve Fund

V Pensioners -- April payroll	\$ 1,705,354.53
Maria Lombard -- refund of contributions, resignation 06/27/08	<u>17,672.19</u>
	1,723,026.72

Expense Fund

SV Buckhead Capital	Prof. Svcs. Jan. to March 2009	21,332.90
Corporate Express	Office Supplies	76.87
Crystal Rock	Office Supplies	85.54
EFI Actuaries	Prof. Svcs. Jan. to March 2009	9,637.50
State Street Corp.	March 2009 Custody Svcs	7,643.39
USI Consulting Group	March 2009 Svcs.	650.00
Wachovia Bank	March 2009 Payroll Services	2,966.41
Westy Archival Storage	May Fee	<u>292.00</u>
	Expense Fund Total	42,684.61

Payroll

PV Retirement Plans Coordinator	3/1 -- 3/31/09	5,481.20
Retirement Plans Administrator	3/1 -- 3/31/09	<u>8,913.80</u>
	Payroll Fund Total	14,395.00

Grand Total \$ 1,780,106.33

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

Military Service

One. Mr. Edward J. Fox has applied to purchase four years and zero months of his active military service. Attached is his application form dated April 7, 2009. Mr. Fox's military form DD 214 has been submitted and is on file in the Retirement Office. His check for \$8,444.00 has been received and duly receipted.

Upon a motion from Mr. Kordick, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the military application as noted above.

INVESTMENT PERFORMANCE AND LIQUIDITY REPORT

Mr. Moseley of NEPC presented the March 31, 2009, Flash Report. He noted that March results were in positive territory.

The Policy Index was up 5.4% and the Allocation Index shows an increase of 4.4% for March. All indexes showed increases for the month.

Buckhead Capital has outperformed its benchmark while Artio Global has trailed its benchmark. Artio has suffered due to poor results from emerging markets in Eastern Europe.

In the fixed income area, BlackRock has outperformed and it is believed credit and mortgage markets are coming back. Loomis Sayles trailed its benchmark as it was negatively impacted by a strengthening dollar.

ING Clarion is seeing write downs in its real estate properties. Its December 31, 2008 value of \$8.3 million is probably down 20%.

Mr. Moseley reported that AIG is negotiating with firms to sell off its various assets. He anticipates that the PEP V Fund will be spun off as a complete entity, and he is optimistic that the management team will stay intact with the fund. There will be a report issued in May.

The Board asked for an update on the Wellington Credit Opportunities Investment. Mr. Moseley advised that Wellington has been unable to have a closing on the fund. Given the recent increases in credit it is advisable to move on to other investment opportunities.

A discussion ensued on the liquidity report which indicated \$1.6 million should be raised from BlackRock to meet the April retirees' payroll. Some board members felt it advisable to pay the payroll with cash and leave funds with BlackRock as they would provide a higher return. After discussion the following motion was made:

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to liquidate \$800,000 from BlackRock, and to take \$800,000 from the STIF with State Street Bank, to meet the April retiree payroll.

OLD BUSINESS

Additional work is occurring on the Request for Proposals for Investment Management Services. The Board will discuss the RFP before it is issued and probably will schedule a special meeting to do so.

NEW BUSINESS

Mr. Moseley provided the Board with a document entitled Asset Allocation Review dated April 23, 2009. Mr. Greg Stump, from EFI Actuaries joined in the discussion. The purpose was to evaluate the existing portfolio policy mix and to consider alternative policy mixes based on risk return assumptions.

A review of the aforementioned document indicates over a full market cycle of 5 to 7 years investors should be compensated for taking risk. Approximately 90% of the return over time of any investment program will come from asset allocation policy decisions. The picking of asset categories is most important, as is tying it into liabilities, and cash flow requirements, while trying to reduce volatility of the portfolio.

General discussion occurred on the 2009 forecasts, asset class correlation forecasts and changes in the mix of assets. The Board wishes to study the matter further and will take it up again at its May meeting before it makes any decisions. NEPC will provide additional analysis for this meeting.

EXECUTIVE SESSION

The Board voted unanimously to go into executive session to discuss one application for a disability retirement at 9:55 a.m.

The Board voted unanimously to come out of executive session at 10:05 a.m.

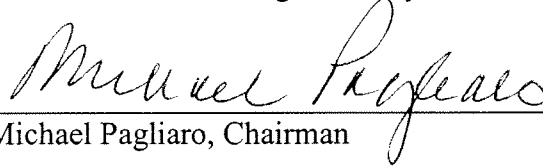
ADJOURNMENT

The motion to adjourn was made, seconded and carried unanimously at 10:07 a.m.

Respectfully Submitted,



James V. Lavin, Acting Secretary to the Board



Michael Pagliaro, Chairman