

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

May 28, 2009 Minutes – Gisborne Conference Room

The regular meeting of the Retirement Board was called to order at 7:32 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, BET Liaison
Douglas Moseley, NEPC
Don Bowers, Guest
Peter Dott, Guest
Evan Dowd, Guest
Robert Kavee, Guest

Chairman Pagliaro noted that a quorum was present.

APPROVAL OF MINUTES

The Board reviewed the April 23, 2009, minutes of the Regular Meeting of the Retirement Board.

Upon a motion by Mr. Chadwick, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the Minutes for the April 23, 2009, Regular Meeting of the Retirement Board.

ADMINISTRATORS REPORT

Mr. Lavin reported that as many as 57 employees may be retiring by September 1, 2009.

A draft copy of the Request for Proposals for Investment Management Services was provided for their review and input.

Draft copies of the Cost of Living Adjustment for retirees were provided for review by the Board. It is likely no COLA increase will be provided for July 1, 2009 as based on the Consumer Price Index used in the respective collective bargaining agreements.

Retirees

The Board reviewed the retirement profile for the below individuals:

James Enoch	Peter Holland, et al	James Krasniewicz, et al
Otto Lauersdorf	Angela Palloneta	Frank Petillo

There were questions on the calculations for Messrs. Holland and Krasniewicz and the Board postponed taking up their retirements pending additional information.

Upon a motion from Mr. Coyner, seconded by Mr. Kordick, the Board voted 5-0-0 to approve service retirements for Ms. Pallonetta, and for Messrs. Enoch, Lauersdorf, and Petillo.

Approval of Payments

Reserve Fund

V Pensioners -- May payroll	\$ 1,710,842.09
Graham McCelland, beneficiary of Kathryn McCelland DOD 1-28-09	59,468.10
Lauren Mendoza, beneficiary of Kathryn McCelland DOD 1-28-09	59,468.10
Keith Williams – refund of contributions, resignation 06/22/07	<u>6,005.40</u>
	1,835,783.69

Expense Fund

SV Corporate Express	Office Supplies	136.33
Crystal Rock	Office Supplies	85.54
Dupli	Office Supplies	86.63
Diversified Investment Advisors, Inc	Prof. Svcs. Jan. to March 2009	22,500.00
NEPC	Prof. Svcs. Jan. to March 2009	729.72
Shipman & Goodwin, LLP	Prof. Svcs. March & April 2009	4,550.00
State Street Corp.	April 2009 Custody Svcs	6,732.34
USI Consulting Group	April 2009 Svcs.	650.00
Wachovia Bank	April 2009 Payroll Services	3,134.09
Xerox	April & May Duplicating	<u>181.77</u>
	Expense Fund Total	38,786.42

Payroll

PV Retirement Plans Coordinator	4/1 -- 4/30/09	5,523.22
Retirement Plans Administrator	4/1 -- 4/30/09	<u>8,913.80</u>
	Payroll Fund Total	14,437.02

Grand Total \$ 1,889,007.13

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

Military Service

None.

INVESTMENT PERFORMANCE AND LIQUIDITY REPORT

Mr. Moseley of NEPC presented the April 30 2009, Flash Report. The equity markets advanced 5.7% in April per the composite index. The Standard and Poor's 500 index was up 9.6% and it has continued to advance in May until recently. The small cap Russell 2000 index was up 15.5% and the international MSCI index increased by 12.8%. The Allocation Index shows an increase of 6.1% and the Policy Index increased by 7.0%. All indexes showed increases for the month.

In actively managed equities, Buckhead Capital and Artio Global both trailed their benchmarks.

The fixed income area has shown a rebound, with liquidity and pricing improvements. BlackRock and Loomis Sayles have both outperformed their benchmarks. Loomis Sayles had strong performance in April benefiting from currency volatility.

ING Clarion updated its first quarter numbers with a write-down of 17.8%. More write downs are expected as it will need to deleverage its real estate portfolios. Depending on refinancing availability and costs anywhere from 10% to 50% additional write downs could be experienced. ING Clarion is scheduled to meet with the Retirement Board in June according to the 2009 Work Plan.

Mr. Moseley reported that AIG is closer to selling off its private equity group possibly in June. They are in the due diligence process with two companies. The PEP V fund management is due to meet with the Board in September according to the 2009 Work Plan.

Gilbert Global's Annual Report and audited financial statements were discussed. There are two investments remaining in the fund as it is winding down.

Questions were raised on the format of the monthly flash report. Mr. Moseley will review the questions and adjust the format in a way that is acceptable to the Board.

A discussion ensued on the liquidity needs for the May and June payrolls. It was determined to pay the May retirees' payroll from the Short Term Investment Fund with State Street Bank. It would be preferred to pay the June retirees payroll also from the STIF if sufficient cash is available. An infusion of over \$5.5 million is expected in July as the Town makes its annual pension contribution thereby replenishing the STIF.

Upon a motion from Mr. Coyner, seconded by Mr. Chadwick, the Board voted 5-0-0 to take \$1.7 million from the STIF with State Street Bank, to meet the May retiree payroll.

Mr. Moseley provided the Board with the First Quarter 2009 Market Review and Performance Update. Page 11, the Mid May Market Update chart was reviewed. A discussion ensued on the respective investment sectors, and their performance since 2003.

OLD BUSINESS

Mr. Moseley provided the Board with a memorandum entitled NEPC Asset Allocation Policy Target Recommendation dated May 28, 2009. This memo was a continuation from the April meeting on Asset Allocation Review. The Board had numerous questions on the deleveraging occurring in the markets, the dollar's strength, and the risk of inflation resulting from recent efforts by governments to unfreeze capital markets. There is also concern about market volatility.

NEPC recommends introduction of a new 6% target to Real assets (TIPS and Commodities) in order to start to position part of the Fund's portfolio to protect against the possibility of future increases in inflation. Moreover, an increase in the core fixed income allocation, and reducing exposure to domestic large, small cap and international equities to offset the above changes and continue to reduce the expected volatility of the portfolio.

After discussion, the following motion was made:

Upon a motion from Mr. Coyner, seconded by Mr. Chadwick, the Board voted 5-0-0 to select Mix B, on page 22, of the Asset Allocation Review Report, dated April 23, 2009.

NEW BUSINESS

Mr. Lavin provided the Board with information on the preliminary review of its Cost of Living Adjustment Policy, cost index and Retirees COLA Calculation Schedule. He noted that inflation is below the threshold called for in the collective bargaining agreements therefore making it probable that no COLA's will be provided to retirees for July 1, 2009.

The Board wishes to review simple interest credited to employee's retirement accounts once a year on June 30. Mr. Lavin provided a memo dated April 14, 1986, along with a set of Retirement Board Minutes dated February 19, 1986. The Board will review the memo and minutes and discuss it at its June meeting.

The Board wishes to review its interest rate assumption for the upcoming budget cycle. Greg Stump, of EFI Actuaries will attend the July meeting to participate in this discussion.

EXECUTIVE SESSION

The Board voted unanimously to go into executive session to discuss one application for a disability retirement at 9:45 a.m.

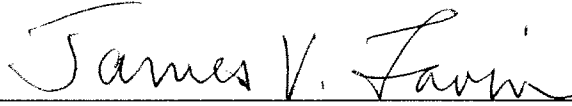
The Board voted unanimously to come out of executive session at 10:00 a.m.

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski the board voted 5-0-0 to approve an accidental disability retirement for Mr. Darren Green.

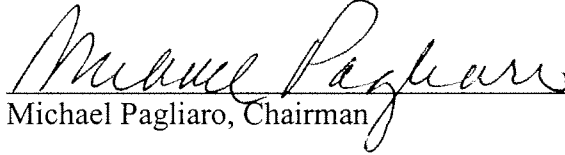
ADJOURNMENT

The motion to adjourn was made, seconded and carried unanimously at 10:05 a.m.

Respectfully Submitted,



James V. Lavin, Acting Secretary to the Board



Michael Pagliaro, Chairman