The regular meeting of the Retirement Board was called to order at 8:03 a.m.

In attendance were:

Members: John Chadwick, Chairman
Kevin Coyner
Mark Kordick
Peter Mynarski (until 10:00 am)
Laurence Simon

Staff: Atiya Jones, Retirement Administrator
Mary Pepe, Director of Human Resources

NEPC: Doug Moseley

BET LIAISONS: Bill Drake
John Blankley

APPROVAL OF MINUTES

Upon a motion by Mr. Simon, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the minutes of the Regular Meeting of January 29, 2015.

ADMINISTRATOR’S REPORT

The cash balance after the February 2015 pension payroll is projected to be $21,849,041. Mr. Simon noted this does not include the $2,000,000 redemption from Clarion expected on April 1, 2015 but does include redemptions from Core Commodities and TIPS. This balance is already reduced for $1.5 million of unknown but expected capital calls. The board will decide how to invest the $17,500,000 held in cash reserves. Mr. Simon informed the board we need to send the redemption letter to Clarion by March 31, 2015 for the July 1, 2015 redemption. Mr. Chadwick questioned where we are with future commitments and law department review. Mr. Simon informed the board we (Mr. Simon and Ms. Jones) will have a meeting with the law department the second week of March, 2015 to discuss and review all five open items as well as timelines. Also, Mr. McLaughlin proposed outsourcing the review of the GAM material to an outside law firm because it’s an international investment. Mr. Mynarski would like to have more information regarding the use of outside counsel for future reviews.

Ms. Jones provided updates regarding ADP progress. Pensionable earning codes have been reviewed and sent to ADP. The outstanding issue of code 741 (negative adjustment) is pending per further review. Mr. Coyner questioned the misuse of the firefighter’s Overtime code 210. This was an
isolated occurrence that affected 7 firefighters and the resolution will occur on the next scheduled payroll.

Ms. Jones provided updates on Summary Plan Documents (SPDs) and beneficiary designation forms review with Gail Sassos. Mr. Coyner and Mr. Kordick requested we specify on the Beneficiary Designation form that it is to be used for non-retired employees. We will modify the form and send to the legal department for review.

The board discussed the Pension Funding policy and suggested changes.

Upon a motion by Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the Pension Funding policy as amended.

Ms. Jones informed the board of the new process for posting the Votes to the Town of Greenwich’s website.

Ms. Jones and Mr. Simon discussed Margaret Marrello’s uncashed checks and Transamerica process for stopped payments. Ms. Jones will informed the board when retirees do not cash their checks in a timely manner and the board will decide the action at that time. Ms. Jones will provide an update on Margaret Marrello at the next board meeting.

Ms. Jones reviewed the follow-up items from the January 29, 2015 meeting.
## APPROVAL OF PAYMENTS

**Town of Greenwich, Connecticut**

**Retirement FEBRUARY 27, 2015**

### Payments to be Approved

#### Reserve Fund

<table>
<thead>
<tr>
<th>V</th>
<th>Pensioners</th>
<th>February Payroll</th>
<th>$ 2,190,034</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunds</td>
<td>Thomas Gorton</td>
<td>10,296</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Roberto Tiburcio</td>
<td>2,656</td>
<td></td>
</tr>
</tbody>
</table>

**Pension Payroll Fund Total** 2,202,986

#### Expense Fund

<table>
<thead>
<tr>
<th>SV</th>
<th>Shipman and Goodwin</th>
<th>December 2014 Expenses - DOMA</th>
<th>$ 627</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEPC</td>
<td>Expense Invoice October 1, 2014 - December 31, 2014</td>
<td>1,418</td>
<td></td>
</tr>
<tr>
<td>Gail Sassos</td>
<td>Expense Invoice January, 2015 - February, 2015</td>
<td>1,800</td>
<td></td>
</tr>
</tbody>
</table>

**Expense Fund Total** 3,845

#### Payroll

| PV | Retirement Benefits Administrator | February - Atiya Jones | $ 7,231 |

**Staff Payroll Fund Total** 7,231

**Grand Total** 2,214,061

Upon a motion from Mr. Simon seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the above payments.

## RETIREES

The Board reviewed the retirement profiles for the six individuals listed below:

March 1, 2015

1. Gorgonio Acojido  
2. Raymond Augustine  
3. Betty Farfan  
4. Joseph Ferraro  
5. Joe Loyd  
6. Carol Taylor
Upon motion from Mr. Mynarski, seconded by Mr. Simon, the Board voted 5-0-0 to approve the retirement for the six individuals listed above for Retirement on March 1, 2015.

INVESTMENTS AND PERFORMANCE

Mr. Moseley discussed the Flash Report for the Period Ending January 31, 2015, NEPC 2015 Capital Market Outlook, and Investment Summary for Quarter Ending December 31, 2014. Fund Balance was $386,120,394. Rate of return for January 2015 was -1.3% and for the Fiscal Year to Date is -2.3%. Rate of return for one year is 5.6%.

This being the time of year when the Board reviews its Asset Allocation, NEPC presented their 2015 Capital Market Outlook Assumptions and Actions for Clients. Returns have been exceptional since the global financial crisis and have significantly exceeded NEPC’s expectations. Low yields and core fundamental suggest muted returns looking forward. This has been NEPC’s outlook for the past several years. As a consequence, the 5-7 year expected return for our current target portfolio as well as NEPC’s proposed asset mixes is 6.6% which is well short of the Town’s 7% assumed rate-of-return.

A lengthy discussion ensued centered on how NEPC goes about making its return forecasts. For the most part, NEPC uses mathematical formulas and studies to come up with its forecasts. There is particular emphasis placed on reversion to the mean and the expectation that forward results will mirror past performance. From NEPC’s perspective strong performance of domestic equity markets has led to a reduction in their expectations, lower yields relative to the prior year has reduced their bond forecast, and a decrease in expectations for credit markets reflects normalization of default rates. The asset mixes which flow from this are based on the assumption that whatever mix is decided upon that mix will be held for 5 to 7 years.

Mr. Chadwick had a number of observations and questions. He began by saying be careful about drawing parallels. There is never an exact replica in time to the present. What is key is how crucial the differences are between the two periods. The problem with reversion to the mean is you do not know how long that will take or if the mean has changed. He asked if the 5 to 7 year asset mix was set in stone or could it be altered especially on a tactical basis reflecting particular circumstances that might last for a year or two. Mr. Moseley replied that he could never remember an instance in the last ten years when there was a tactical shift. Mr. Chadwick went on to say that the Board felt we should be more flexible in the way we were invested and should alter the asset mix whenever it felt it was appropriate. Nothing is forever and we should continue to adjust our portfolio whenever we believed it was necessary. He cited the Wall Street adage to be increasingly careful when returns have been above average and valuations are high, and the Fed is altering course. We are coming up to a time like that and the Fed’s actions to raise interest rates may have unexpected consequences that we should react to.

Mr. Chadwick wondered if one or two of the people who put together NEPC’s asset allocation model could come to our next meeting. Mr. Moseley said he would try to arrange that. Mr. Chadwick noted that in NEPC’s alternative asset mixes there were zeroes for TIPS and commodities. Mr. Moseley replied that this reflected our decision to sell our positions in these investments. Mr. Chadwick said if
NEPC considered these to be appropriate investments they should be used. Mr. Moseley will revise the mixes.

Upon a motion by Mr. Simon, seconded by Mr. Coyner, the Board voted 4-0-0 (Mynarski absent) to invest $10 million in the Loomis Sayles Strategic Alpha Fund.

NEW BUSINESS
None.

OLD BUSINESS
Mr. Coyner does not have an Ad-Hoc COLA proposal at this time.

Executive Session
None.

ADJOURNMENT
A motion to adjourn was made by Mr. Simon, seconded by Mr. Kordick, and carried unanimously at 10:38 a.m.

Respectfully Submitted,

_____________________________________________
Atiya Jones, Secretary to the Board

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John D. Chadwick, Chairman