The meeting of the Retirement Board was called to order at 8:00 A.M.

In attendance were:

Trustees: Joseph Pellegrino, Chairman
          Kevin Coyner (Arrived 8:10 AM)
          Mark Kordick
          Peter Mynarski
          Mike Wacek

Staff:    Kenneth Berkson, Retirement Board Administrator
          Mary Pepe, Director, Director, HR Department
          Daniela Barcello, Retirement Board Clerical Assistant

BET:      Andreas Duus, David Weisbrod

Neuberger Berman: Michael Savinelli, Megan Doyle, Eric Knutzen, Andrew White

RTM:      Mariam Kreuzer, RTM D-7, L&R Cmte; Danyal Ozizmir, RTM D-5, BOC Vice Chair

Mr. Pellegrino welcomed attendees to the meeting.

APPROVAL OF MINUTES

Regular Meeting Minutes March 21, 2019

Upon a motion by Mr. Wacek, seconded by Mr. Mynarski, the Board voted 4-0-0 (Absent: Coyner) to approve the Minutes of the Regular Meeting of March 21, 2019, as amended. Motion carried.

ADMINISTRATOR’S REPORT

Mr. Berkson commented on the following:

- Monthly Benefits Payments – Some State Tax Withholding tables were updated effective April 13, 2019. April 30th checks will reflect applicable updates and contain a communication piece with their check advice.
• Empower/Milliman
  o Day 2 Items – Automation of calculations for Transfers are completed. Prior service & re-hires are next to automate. Other day 2 items are Employee contribution projections for those not contributing (including reaching the CS max), Employee contribution monthly amounts placed on the retirement packages for the cash refund option and non-taxable portion of the benefit and data/reporting enhancements. Milliman also reported an automation rate of 81% with the top three reasons for manual calculations being prior service & rehires, QDROs and data issues.

  o Projects – The following projects are scheduled for completion as follows: Silver Shield – Employee contribution rate to 6% (July); payment in arrears exception payroll (May 10th); retiree payment updates for retro pay (LIUNA & LIUNA Paraprofessionals (May); Teamsters (June)); COLA (July) and Valuation Data (July).

• Disability and Death (tax) calculations – Following up with Shipman & Goodman on review of Town’s Disability and Death pension (tax) calculation procedures.

• Data – Daniela continues to review participant information to document one-off issues such as QDROs, transfers (completed), frozen deficiencies, breaks in service, etc., to ensure that Milliman has all such information. It is approximately 50% complete.

• Survey - Ms. Pepe and Ms. Graham (Benefits Team Manager) agreed that we should include the Defined Contribution plans with the survey. Final drafts have been circulated for this Board Meeting.

• Neuberger Berman – Custodian - The Neuberger Berman Paying Agent contract is being finalized with the Town and Neuberger Berman’s attorneys. We continue to be on schedule for the June 30, 2019 conversion.

• QDROs – Working with Attorney Elizabeth McMahon (CTQDROs) to review QDROs regarding Pre and Post Retirement Death Benefits and shared and separate interests.

• Follow-up Items from Previous Meetings – Milliman is in the process of their 1st quarter reporting for call center and calculation data.

**APPROVAL OF RETIREMENTS**

The Board reviewed the **May 1, 2019** retirement profiles for the individuals listed below:
Albert Morano (as of April 1, 2019)
Debra Hackett

Upon a motion made by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the retirements for the individuals listed above. Motion carried.

APPROVAL OF PAYMENTS

Routine Disbursements

<table>
<thead>
<tr>
<th>Town of Greenwich, Connecticut</th>
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<tbody>
<tr>
<td>Retirement April 30, 2019</td>
<td></td>
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<tr>
<td>Payments to be Approved</td>
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<table>
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<tr>
<th>Reserve Fund</th>
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<tbody>
<tr>
<td>V Pensioners April Payroll</td>
<td>$2,668,334.43</td>
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<tr>
<td>Pension Payroll Fund Total</td>
<td>$2,668,334.43</td>
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<tr>
<th>Expense Fund</th>
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<tbody>
<tr>
<td>SV Shipman &amp; Goodwin Attorney Fees</td>
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<tr>
<td>Staples Supplies</td>
<td>$376.25</td>
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<tr>
<td>Empower (Milliman) 1Q ’19 Services</td>
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<tr>
<td>WB Mason Supplies</td>
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<td>Iron Mountain Storage &amp; Retrieval- April 2019</td>
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<td>Neuberger Berman 4Q ’18 Services</td>
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<td>Expense Fund Total</td>
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<table>
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<tr>
<th>Payroll</th>
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<tbody>
<tr>
<td>PV Staff April Payroll</td>
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</tr>
<tr>
<td>Staff Payroll Fund Total</td>
<td>$11,550.00</td>
</tr>
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</table>

Grand Total $2,833,062.78

Upon a motion by Mr. Mynarski, seconded by Mr. Kordick, the Board voted 5-0-0 to approve the above routine disbursements for April 2019. Motion carried.

It was asked if the Milliman invoice included any additional (non-standard) charges for work such as manual calculations, etc. Mr. Berkson stated it did not and will discuss with Milliman.

Refunds
None

Military Buy Back
NEW BUSINESS

- **Plan Enhancement** – Online QDRO Benefit Estimate Automation
  Mr. Berkson presented and the Board discussed the scope of work, costs and variables of the two proposals submitted by Milliman. Option #1 would supply the participant with their gross total benefit and a qualifying statement about the figure not reduced by the amount payable to the QDROs Alternate Payee (AP). If the participant would like an estimate less the AP benefit, it would require a manual calculation and additional costs. Option #2 would supply the participant with their net benefit (reduced by the amount payable to the AP), if such amount is “determinable”. If not “determinable”, it would follow Option #1. While Option #2 would cost more for set up, the on-going fees would be less due to the elimination of manual calculations for those with “determinable” AP benefits.

  
  *Upon a motion by Mr. Coyner, seconded by Mr. Mynarski, the Board voted 4-0-1 (Abstain: Kordick) to approve moving forward with Option #2. Motion carried.*

- **Retirement Plan Providers Survey**
  Upon receipt of comments a final draft of the survey with communication pieces was distributed to the Board. All participants will receive a mailing. Those with e-mail addresses on file will be notified that a web based survey was sent to their e-mail address on record. Those without an e-mail address on file will receive a hard copy survey with a return envelope (postage paid) and a request to supply an e-mail address for future communication. The Board discussed cost, timing, and logistics and agreed that we should send out a survey by June and utilize the results to benchmark future survey results and discuss more detailed surveys for more specific enhancements regarding participant satisfaction.

- **Policy for Delayed Commencement of Benefits** - Mr. Berkson explained the impact of benefit amounts and payments for participants (no longer employed with the Town) that delay the return of their paperwork and their commencement date of benefits past Normal Retirement Date (NRD). This included the possible decrease in benefit amount (due to increased deficiency) from NRD in addition to no retro payments. The Board discussed both aspects and agreed that terminated participant’s benefit should be frozen upon NRD and do have the responsibility to ensure they return their paperwork on time. There was discussion as to the specifics of the language utilized in the draft policy. The Chairman asked Mr. Berkson to work with the Board offline to draft an updated policy.
INVESTMENTS AND PERFORMANCE

- **Performance Report Period Ending March 31, 2019**

Mr. Knutzen from Neuberger Berman (NB) began with an overall market summary and outlook. He stated that in 2018 there was “nowhere to hide” as all major asset classes had a negative return, but 2019 YTD has the major asset classes all with positive returns. He also commented with more 2019 YTD specifics regarding US Sectors and Market Caps. He continued with NB’s outlook for 2019 that they believe there will be a “soft landing” as the economic cycle extends. They have a preference to equities over fixed income, but are selling over weights in equity for profits. Mr. Knutzen also discussed possible future investment risks and challenges, including China (world’s 2nd largest economy), trade frictions continuing and new tariffs.

Mr. Knutzen then discussed the Plan’s portfolio positioning and performance. The Board noted the Plan’s YTD returns lagging compared to benchmarks. Mr., Knutzen commented that a majority of the difference is due to the reporting lag for Private Markets. The Chairman requested that NB provide a comparison of real returns for the year ending June 30, 2018 and the period July 1, 2018 through December 31, 2018 for a clearer picture of how the total Plan’s portfolio is performing. The Chairman also commented that it should be a 3-year period that the Board reviews to determine overall performance. Mr. Knutzen then commented on the returns of NB since their inception, including the continued positioning of the asset allocation to the Plan’s Investment Policy Statement (IPS).

- **Processes and Procedures for Private Equity Investments**

NB commented on the three private equity investments previously discussed and approved by the Chairman. Due to possible time constraints and need for prompt action on private equity investments the Board discussed processes regarding these investments. Based on the discussion, the Chairman summarized the Board’s options: allow NB to complete without Board Approval (reviewed as part of Board’s responsibility to review NB); have the Board meet and vote for each opportunity; set an amount the Chairman can sign-off on with the Board meeting and voting for excess amounts. It was also discussed that before a final discussion and decision is made by the Board, the Chairman will meet with the Town’s Legal Department to ensure all options follow the IMA and State’s prudent investment policy.

It was also decided to vote on the three private equity investments signed off by the Chairman.
Upon a motion by Mr. Pellegrino, seconded by Mr. Wacek, the Board voted 3-2-0 (Opposed: Coyner, Kordick) to approve the Confidential GP-led Private Equity Investment. Motion carried.

Upon a motion by Mr. Pellegrino, seconded by Mr. Wacek, the Board voted 5-0-0 to approve the AEA Investors VII & Advent International SPE IX Private Equity Investments. Motion carried.

- Additional Neuberger Berman Investment Opportunity

NB proposed an additional Private Equity opportunity, DYAL Capital Partners IV, and explained how it differed from previous TOG Private Equity investments. The DYAL IV partnership was described as a “perpetual cash-flow investment” with an unidentified exit plan. The Board discussed the advantages of investing in a self-amortizing investment.

Upon a motion by Mr. Wacek, seconded by Mr. Mynarski, the Board voted 5-0-0 to accept the NB proposal to invest in the DYAL Partnership IV. Motion carried.

OLD BUSINESS
N/A

EXECUTIVE SESSION
N/A

ADJOURNMENT

Upon a motion by Mr. Wacek, seconded by Mr. Mynarski, the Board voted 5-0-0 to adjourn the meeting at 11:53 A.M. Motion carried.

Respectfully Submitted,

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Catherine Sidor, Recording Secretary

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Joseph Pellegrino, Chairman

Next Meetings:

- Regular Meeting Thursday, May 16, 2019
- Special Meeting Tuesday, May 28, 2019
- Regular Meeting Thursday, June 20, 2019
- Regular Meeting Tuesday, July 30, 2019