

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD
April 27, 2017 Minutes – Mazza Meeting Room**

The regular meeting of the Retirement Board was called to order at 8:01 a.m.

In attendance were:

Members:	John Chadwick, Chairman Kevin Coyner - absent Mark Kordick – arrived at 9:10 a.m. Peter Mynarski Joseph Pellegrino
Staff:	Atiya Jones, Retirement Administrator Mary Pepe, Director of Human Resources
NEPC:	Kevin Leonard
BET:	Bill Drake Anthony Turner
RTM:	John Dolan Mike Wacek

APPROVAL OF MINUTES

Upon a motion by Mr. Pellegrino, seconded by Mr. Mynarski, the Board voted 3-0-0 to approve the minutes as amended of the Regular Meeting of March 30, 2017.

ADMINISTRATOR’S REPORT

As of April 25, 2017, the State Street cash balance was \$7,147,871. The projected State Street cash balance for May 31, 2017 is \$5,183,679. There will be one more Pension Payroll and two Employee Contributions for the Fiscal Year totaling estimated amounts of \$2,400,000 and \$150,000, respectively.

Ms. Jones informed the Board that Transamerica is updating the benefit election forms to include the option to withdraw the employee contributions at retirement. This language will be included for all employees who contribute to the pension plan. We will continue to review the benefit election forms for future enhancements. The process has begun for reviewing the data extracts for the valuation data. Also, Transamerica will produce the death audit of all vested terms in June, 2017.

There is one rehired Teamster who will be reinstated to the pension plan. This employee was 100% vested as of his first employment with the Town and the length of service of the first employment

was greater than his break-in-service. He will have the option to contribute to the pension plan due to the previous service and union contract.

As of today, there are no updates reported for the Fire Fighters contract as of July 1, 2015 and Teamsters, LIUNA, and LIUNA Representing the Professional Assistants and Security Personnel contracts as of July 1, 2016. The outstanding GMEA active/death participant's estate responded to Transamerica to commence payments. Therefore, the GMEA contract implementation process for pension is complete.

Ms. Jones provided the quote from FIA to assist with the RFP process for a Third Party Administrator. The Board wants to know the hourly rate of the service they are offering versus a one-time fee. The Purchasing Department will schedule the release of the RFP upon approval.

Ms. Jones provided status updates for the Widow's benefit with respect to Mr. LaLuna and QDRO benefits of Mr. Frangione and Mr. Grierson. Transamerica general counsel is reviewing the historical implementation of these payments. Since Transamerica released the payments, they have requested additional information from the Town.

APPROVAL OF PAYMENTS

Town of Greenwich, Connecticut			
Retirement April 30, 2017			
Payments to be Approved			
Reserve Fund			
V	Pensioners	April Payroll	\$ 2,403,498
	Refunds		
		Pension Payroll Fund Total	\$ 2,403,498
Expense Fund			
SV	Iron Mountain	March, 2017	\$ 101
		Expense Fund Total	\$ 101
Payroll			
PV	Retirement Administrator	April - Ms. Jones	\$ 7,375
		Staff Payroll Fund Total	\$ 7,375
		Grand Total	<u>\$ 2,410,974</u>

Upon a motion from Mr. Mynarski seconded by Mr. Pellegrino, the Board voted 3-0-0 to approve the above payments for \$2,410,974.

RETIREEES

The Board reviewed the retirement profile for the individual listed below:

April 1, 2017

1. Michael (Amy) Russell

Upon motion from Mr. Mynarski, seconded by Mr. Pellegrino, the Board voted 3-0-0 to approve the retirement for the one individual listed above for Retirement on April 1, 2017 contingent upon Mr. Kordick’s review of the 2003 contract.

INVESTEMENTS AND PERFORMANCE

Mr. Leonard presented the Flash Report for the Period Ending March 31, 2017. Fund Balance was \$429,583,344. Rate of return for March 2017 was 0.5% and for the Fiscal Year to Date is 10.9%. Rate of return for the last 12 months is 13.8%. It was noted the Loomis Sayles Institutional High Income

out-performed the index. Mr. Leonard also presented the Investment Market Update as of April 26, 2017.

Neither Gilbert Global nor PineBridge have provided calendar year-end valuation data so we still do not have a final valuation for 2016. Ms. Jones will reach out to the managers for an update.

Mr. Chadwick discussed the HarbourVest Partners Co-investment Fund IV. He said Mr. Smoot had completed a written review. The final closing for this fund is June 15, 2017. The Board discussed whether or not it would be appropriate to make a new private investment while there is still a pending decision of outsourcing the management of the fund.

Upon a motion from Mr. Chadwick, seconded by Mr. Mynarski, the Board voted 1-2-0 to approve an investment in the HarbourVest Partners Co-investment Fund IV. This motion did not pass.

OLD BUSINESS

RFP Update:

Mr. Chadwick presented an analysis of the fees being paid to each manager of the current portfolio. The total fees that the Fund pays are 47 bp currently. Of special note, fees for alternative asset management represent 69% of the Fund's total fees even though they account for only 16% of the Fund's assets. Mr. Chadwick said the next step should be to compare the investment results for each private debt and equity manager to their fees in order to see if we are getting our money's worth.

Upon motion from Mr. Pellegrino, seconded by Mr. Mynarski, the Board voted 3-1-0 to approve the continued RFP process of outsourcing to a Chief Investment Officer and draft a contract for a third party investment manager to make discretionary investment decisions on behalf of the Retirement System with the intent to transfer all funds to the selected manager.

Mr. Coyner requested his letter dated April 26, 2017 be attached to the minutes.

NEW BUSINESS

None.

Executive Session

None.

ADJOURNMENT

A motion to adjourn was made by Mr. Pellegrino, seconded by Mr. Mynarski, and carried unanimously at 10:15 a.m.

Respectfully Submitted,

Atiya Jones, Secretary to the Board

John D. Chadwick, Chairman

26 April 2017

John Chadwick, Chairman
Retirement Board
Town of Greenwich
Greenwich, Connecticut

Dear John,

Due to personal reasons, I will be unable to attend tomorrow's (27 April 2017) meeting of the Retirement Board.

As you know, this particular meeting may be critically important in that the Board may vote on whether or not to outsource the management of the retirement funds to Neuberger Berman or other OCIO candidate.

We have had considerable debate on this matter over numerous meetings and many good points have been made both in favor of moving to the OCIO model and for remaining with our current model. In considering all related information, I am unable to find sufficient justification for the move and therefore will vote against any motion to move to the OCIO model.

Voting against the OCIO model should not be interpreted to mean that I find our current model perfect and without flaw. There is always room for re-evaluation and improvement in any endeavor. Indeed, if no motion is brought to the Board regarding a change to the OCIO model, or if a motion is brought and defeated, then I would suggest we closely examine, and possibly restructure, our current model. There are several options that we should consider, including the possibility of adding members to increase the size of the Board from five to either seven or nine.

Again, my apologies for not being able to be physically present for tomorrow's meeting. If need be, I should be able to call in via telephone to cast a vote. Alternatively, I can make myself available for a special meeting next week, or obviously our next scheduled meeting in May.

Thank you.



Kevin Coyner
Member, Town of Greenwich Retirement Board

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