

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD
REGULAR MEETING**

Thursday, April 29, 2021 Minutes – Zoom Virtual Meeting

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

In attendance were:

Members: Joseph Pellegrino, Chairman
Kevin Coyner
Andrew Greco
Peter Mynarski
Mike Wacek

Staff: Ken Berkson, Retirement Board Administrator
Daniela Barcello, Retirement Coordinator
Mary Pepe, Director, Human Resources
Nataliya Yemets

BET: Andy Duus, Miriam Kreuzer

Neuberger Berman: Meaghan Doyle, Vice President, Institutional Client Advisor;
Erik Knutzen, Managing Director & Multi-Asset Class Chief
Investment Officer; Michael Savinelli, Vice President Institutional
Client Advisor; Andrew White, Vice President, Investment
Strategist Group

RTM: Scott Kalb, (D-7), Public Works; Brooks Harris, (D-10) Finance

Boomershine Consulting: Greg Stump, Chief Actuary, Boomershine Consulting Group

APPROVAL OF MINUTES

Regular Meeting Minutes March 25, 2021

Upon a motion by Mr. Mynarski, seconded by Mr. Wacek, the Board voted 4-0-0 (Mr. Greco was delayed being upgraded from Attendee to Panelist) to approve the Minutes of the Regular Retirement Board Meeting of March 25, 2021. Motion carried.

INVESTMENTS AND PERFORMANCE

Performance Report ending March 31, 2021 – Neuberger Berman (NB)

Mr. Knutzen started the NB presentation with a market summary, commenting that the last 14-15 months have experienced one of the most significant economic shocks that the country and globe has ever experienced and investors are now seeing a remarkable recovery. He also stated that NB has seen extraordinary numbers on all asset classes during the past 12 months and during 1Q '21 they now see a divergence where equity markets are up and bond markets are down due to the rise in interest rates.

Mr. Knutzen then transitioned to the Plan portfolio, reporting that the 1Q '21 return was 1.77%, 35 basis points above the Investment Policy Benchmark and the fiscal year-to-date return was 16.27%, well above the 10.95% Investment Policy Benchmark.

Mr. Knutzen continued with a review of the 1Q '21 asset class attribution, "NB's report card". He explained that the negative selection effect was mostly due to a position taken in commodities, specifically gold, to balance the equity risk taken in the Plan. NB has since exited the gold position as they decided it was not productive.

Mr. Knutzen then communicated that he was previously asked by Chairman Pellegrino to comment on the Plan's recent change to the Regime-based model. Mr. Knutzen responded to the Board that he felt it is performing well and is an appropriate team-based approach that is set up well for target returns, managing volatility and cost reduction, with less active management and focuses NB on asset allocation to add value.

Looking forward, Mr. Knutzen stated that NB sees a positive environment and the expectation of rising and improving growth over a multi-year period. He also commented that the Fed's intent is to keep interest rates low and allow inflation to run high and exceed targets for a period of time. He continued that the expectation is the first interest rate rise may not occur until 2023, though the market is now pricing for a possible rise in 2022. He also commented that for the past 10 years we have seen inflation and growth disappointing forecasts and we may see it exceeding forecasts in the future. He then discussed NB's asset class return outlook and allocation views, as well as discussing possible high volatility including multiple and high draw-downs, in which NB would be looking at purchase opportunities.

Chairman Pellegrino commented that he agrees with NB's thoughts of being neutral to equities and added he is concerned with exposure to fixed income. He also stated that he feels there is potential for runaway inflation in the current political economy and asked that NB discuss opportunities and risk in digital currency at the next Board Meeting as he feels it is now the alternative to gold. It was also discussed that NB will work with the Board on an Environmental, Social and Governance (ESG) policy.

NEW BUSINESS

N/A

OLD BUSINESS

Investment Policy Statement (IPS) – Benchmarks, Asset Allocation and Portfolio Risk Constraints (IPS – Appendix 1) – Neuberger Berman

Mr. Savinelli presented the benchmark changes NB is recommending for the IPS –Appendix 1, with the Board and NB then discussing the reasons for the changes. Mr. Wacek had a separate question regarding the update to the Total Portfolio Risk Limit due to the 2021 Capital Market Assumptions (CMA). Chairman Pellegrino decided NB should include the new Total Portfolio Risk Limit information provided in the CMA presentation with the benchmark updates.

Upon a motion by Mr. Coyner, seconded by Mr. Mynarski the Board voted 5-0-0 to update the portfolio benchmarks presented by Neuberger Berman for IPS – Appendix 1. Motion carried.

Chairman Pellegrino wrapped up the NB portion of the meeting by stating that he believes the change to the Regime-based model is starting to pay off and we will see great benefits in the months and years ahead. He also stated that he wanted to thank everyone involved with this change.

PLAN ADMINISTRATOR REPORT

Mr. Berkson previously provided a written report and highlighted the following topics:

- Active Pension Payroll issue – This is still unresolved but there is an upcoming meeting and hope is that things will now move forward.
- Retiree payment updates to be completed in May/June (prior to July COLAs) include:
 - Nurses, GMEA and LiUNA retro pay due to contract settlement
 - All retirees from October 2020 through April 2021 due to Active Pension Payroll Issue
 - Employee Contribution interest recalculations
- Pension Plan Participant Survey sent April 16th with a May 17th completion deadline. Based on replies received, satisfied percentages are higher in all categories than last survey.

Mr. Coyner expressed his concerns with Milliman regarding the Employee Contribution interest issue and more specifically a retired Fire Fighter who received a letter in error. Mr. Coyner asked the Board if they should have Milliman attend a Board Meeting annually to discuss Plan administration. The Board discussed and decided that annual attendance was not necessary, but Milliman should attend the May Board Meeting to discuss the current issues.

Mr. Coyner also expressed his concerns with the Active Pension Payroll, where it was decided to attempt to resolve internally before Board involvement. He also brought to the Board's attention that he is researching with Mr. Berkson the current policy regarding paying off a deficiency only at retirement, where the reason for the deficiency is due to a payroll error outside the Participant's control.

APPROVAL OF RETIREMENTS

The Board reviewed the May 2021 retirements of the individuals listed below:

Scott Johnson
Jose Ochoa
Aida Ramirez-Venegas-Rhoads

Upon a motion by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the retirement of the three individuals listed above. Motion carried.

APPROVAL OF PAYMENTS

Routine Disbursement/Refunds March 2021

Town of Greenwich, Connecticut			
Retirement March, 2021			
Payments to be Approved			
Reserve Fund			
V	Pensioners	March Payroll	\$2,938,096.03
	Refunds		\$0.00
		Pension Payroll Fund Total	\$2,938,096.03
Expense Fund	Neuberger Berman	4Q '20 OCIO Services	\$173,617.84
SV	Neuberger Berman	4Q '20 Paying Agent Services	\$10,987.60
	Iron Mountain	Storage & Retrieval (March 2021)	\$132.94
	Federal Express	Disability Retirement & TV Participant	\$23.07
		Expense Fund Total	\$184,761.45
Payroll			
PV	Staff	March Payroll	\$13,300.00
		Staff Payroll Fund Total	\$13,300.00
		Grand Total	\$ 3,136,157.48

Military Buy Back None

Upon a motion by Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the March disbursements. Motion carried.

EXECUTIVE SESSION

N/A

ADJOURNMENT

Upon a motion by Mr. Mynarski, seconded by Mr. Wacek, the Board voted 5-0-0 to adjourn the meeting at 9:19 A.M. Motion carried.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Joseph Pellegrino, Chairman

Next Meetings

Regular Meeting, Thursday, May 27, 2021
Regular Meeting Thursday, June 24, 2021
Regular Meeting Thursday, July 29, 2021