

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

July 13, 2018 Minutes – Mazza Room

The Special Meeting of the Retirement Board was called to order at 8:02 a.m.

In attendance were:

Members: Joseph Pellegrino, Chairman
Kevin Coyner (absent)
Mark Kordick (left 9:24 a.m returned 9:44 a.m)
Peter Mynarski
Mike Wacek

Staff: Linda Culver, Clerical Assistant
Roland Gieger, Budget Director
Alison Graham, Employee Benefits Manager

BET: Jill Oberlander (arrived 10:05 a.m.)
Andreas Duus
Elizabeth Krumeich (left 9:37 a.m.)
Leslie Moriarty
Leslie Tarkington

David Weisbrod

RTM: Miriam Kreuzer
Danyal Ozizmir

Neuberger Berman: Michael Savinelli
Stephen Polito
Andrew White
Eric Knutzen (via teleconference)

Mr. Pellegrino welcomed attendees to the meeting. He introduced the Agenda by characterizing the session as a continuation of a dialogue that began in the Fall 2017 and Spring of 2018 regarding the plan, assumptions, risk profile and asset mix.

Neuberger Berman Capital Market Assumption (CMA)

Mr. Savinelli reviewed 2018 capital market assumptions for each asset class. Mr. Savinelli concluded by saying that 2018 assumptions were being lowered by 70 bps from the 2017 assumptions.

Mr. Polito identified the lower return was attributable to lower expected equity returns going forward. Neuberger Berman cautioned that achieving the 2018 goal of 6.75% rate of return would require more exposure to risk classes.

Discussion of Assumed Investment Return (Discount Rate)

Mr. Wacek reviewed the topics and key issues for discussion. Mr. Pellegrino focused the Board on issues to consider when evaluating returns for July 2018: 1) the CMA assumptions; 2) the tradeoff between risk/return; 3) risk tolerance; 4) smoothing; 5) size of investment in private markets; 6) implication for the increase of the Town's contribution to the Retirement System; and 7) the potential change in the Mill Rate.

Mr. Wacek proposed considering a combination of one-time changes including accelerating the contribution of deferred portfolio gains to reset smoothing of the Town's annual contribution, and changing the amortization schedule from 15 to 10 years in addition to lowering the discount rate of return.

Discussion of Strategic Asset Allocation (SAA)

The Board discussed the Strategic Asset Allocation in light of the previous discussion, and its ramifications for changes in plan assumptions going forward.

Discussion of Funding Policy

Mr. Wacek reviewed a summary of potential changes proposed to the Board's 2015 Pension Funding Policy. A draft of the possible changes to plan assumptions and Funding Policy would be sent to the Actuary for purposes of assessing their impact on the required funding for the plan.

Mr. Pellegrino thanked Mr. Wacek for preparation of materials that focused the discussion and he thanked the attendees for their participation.

ADJOURNMENT

A motion to adjourn was made by Mr. Mynarski, seconded by Mr. Kordick. The Committee voted 5-0-0 to adjourn the meeting at 10:19 A.M.

Respectfully Submitted,

Catherine Sidor, Recording Secretary

Joseph Pellegrino, Chairman