

**TOWN OF GREENWICH, CONNECTICUT  
RETIREMENT BOARD**

**July 26, 2018 Minutes – Cone Meeting Room**

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

In attendance were:

Members:	Joseph Pellegrino, Chairman Kevin Coyner Mark Kordick Peter Mynarski Mike Wacek
Staff:	Linda Culver, Clerical Assistant Alison Graham, Benefits Manager Roland Gieger, Budget Director
BET:	Jill Oberlander Andy Duus Elizabeth Krumeich Leslie Moriarty Leslie Tarkington Anthony Turner
RTM:	Miriam Kreuzer Danyal Ozizmir
Boomershine Consulting:	Gregory Stump
Neuberger Berman:	Michael Savinelli Steve Polito (via teleconference) Andrew White (via teleconference)

**APPROVAL OF MINUTES**

**a. Regular Meeting Minutes June 28, 2018**

Upon a motion by Mr. Coyner, seconded by Mr. Wacek, the Board voted 4-0-1 to approve the minutes of the Regular Meeting of June 28, 2018 as amended. (Mr. Mynarski abstained because he was not present for the 6/28 meeting).

**b. Special Meeting July 13, 2018**

Upon a motion by Mr. Wacek, seconded by Mr. Mynarski, the Board voted 4-0-1 to approve the minutes, of the Special Meeting of July 13, 2018. (Mr. Coyner abstained because he was not present for the 7/13 meeting).

**ADMINISTRATOR'S REPORT**

Ms. Graham introduced Mr. Kenneth Berkson, as the new Retirement Board Administrator. Ken is scheduled to start on Monday, July 30, 2018. Welcome Ken!

Ms. Graham thanked the Board for their patience with her over the last 4 months while she tried to keep everything afloat. She retired 31 people since she took over. She thanked Ms. Linda Culver, who has been working here since February as a temporary assistant, without whom she would not have managed the workload.

Ms. Graham confirmed that the COLA changes were updated with Transamerica. Letters went out this week to participants prior to the July 2018 pension payments. She also reminded the Board and Attendees that there would be no Retirement Board Meeting in August.

Mr. Pellegrino stated that the Board can't thank Ms. Graham enough for filling in as the interim Retirement Administrator. He stated on behalf of the Board they are very appreciative of her background and knowledge because they were critical to do this job, which was not an easy task. The Board was very, very appreciative, stating she did a great job and Linda did a super job too.

Mr. Pellegrino stated it's noteworthy to know how much energy and time goes into just simply retiring people. Let alone the whole issue of the minutes, the research, and the issue of other things that come up. A topic that Mr. Berkson will address going forward is getting a handle on where the time and energy is spent, because retirement administration used to have two positions. He stated we thought we could get away with it being reduced down to a one-person job and now what we're finding is we just cannot. Mr. Pellegrino closed by saying thank you very much for the wonderful job that Alison and Linda have done.

**APPROVAL OF RETIREMENTS**

The Board reviewed the Retirement profiles for the individuals listed below:

**August 1, 2018**

- 1. MaryLew McMillian**
- 2. Rosalie Mastropaolo**
- 3. Sharon Bruno**
- 4. Ed Sudell**
- 5. Barbara Beck**
- 6. David Colbree**
- 7. John Rodriguez**

8. Steven Fox
9. Palmira Krois
10. Sima Pirnia
11. Beth Parmalee
12. Richard Hayes
13. Steven Sosnowitz

Upon a motion from Mr. Mynarski, seconded by Mr. Wacek, the Board voted 5-0-0 to approve Retirement on August 1, 2018 for the thirteen individuals listed above.

Ms. Graham commented that there are eleven service retirements and two vested term retirements. Nine of the August 1<sup>st</sup> retirees are eligible for COLA on July 1, 2020. Two of the five retirees are vested terms. Both Ms. Pirnia and Ms. Parmalee are Vested Terms; one terminated in 2001 and the other in 1984 which makes them ineligible for COLA. The other three retirees are one fireman and two policemen which are not eligible for COLA as per their contract.

### **APPROVAL OF PAYMENTS**

#### **A. ROUTINE DISBURSEMENTS:**

<b>Town of Greenwich, Connecticut</b>			
<b>Retirement JULY 31, 2018</b>			
<b>Payments to be Approved</b>			
<b>Reserve Fund</b>			
V	Pensioners	JULY Payroll	\$2,535,223.79
	Refunds		
		<b>Pension Payroll Fund Total</b>	\$2,535,223.79
<b>Expense Fund</b>			
SV	Iron Mountain	July	\$ 86.07
	Shipman & Goldman	Inv # 539136 6.28.18	1,050.00
		<b>Expense Fund Total</b>	\$ 1,136.07
<b>Payroll</b>			
PV	Retirement Administrator	June, July-Ms. Graham	\$ 2,000.00
	Temporary Assistant	June, July-Ms. Culver	4,999.50
		<b>Staff Payroll Fund Total</b>	\$ 6,999.50
		<b>Grand Total</b>	<b>\$2,543,359.36</b>

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the above payments for \$2,543,359.36.

**B. REFUNDS**

None

**C. MILITARY BUYBACK**

None.

**NEW BUSINESS**

**a. Draft Calendar for 2019**

Mr. Pellegrino asked Board members to consider the distributed 2019 Calendar to be a first read. Ten Regular Meetings are scheduled across the year with no meetings scheduled in August or November. Mr. Pellegrino sees the Board having four quarterly meetings for reports from Neuberger Berman, one meeting about the private equity portion of the Portfolio and two Actuarial meetings (July, October) with Boomershine Consulting. Referring to the upcoming September meeting, Mr. Pellegrino remarked that the topic of Policy and Procedures, possibly as a Manual for the 2019 Project, would be on the Agenda for discussion.

**b. Actuarial Presentation by Gregg Stump of Boomershine Consulting**

Mr. Pellegrino prefaced Mr. Stump's presentation saying his objective was to provide the BET with planning information on the discount rate, amortization schedule and Town contribution to Pensions as FY2020 Budget Guidelines were being prepared.

Mr. Stump indicated the key points of his report would be about the impact of the portfolio's gain, the return assumption, asset smoothing and the Retirement Board's amortization policy. In response to the Board's question whether the annual Actuarial Report could be delivered by October, Mr. Stump replied that the valuation wouldn't be finalized but could be approximated if the Auditor would accept approximation since no material changes are anticipated.

The Board reviewed the Boomershine Actuarial Update and discussed the variables to each of Mr. Stump's key points and their potential impact on the Retirement System and the Town of Greenwich. Mr. Stump concluded by offering the opinion that the plan was healthy and that it was a good time to address some of the proposed changes.

The FY2018 return on the portfolio was 8.78%, 203 basis points (bps) above the target of 6.75%; there was an unrecognized gain of \$9 million. The Board discussed changing the discount rate from 6.75% to 6.50% because it better reflects the risk tolerance of the community, the BET's short and long term planning needs and recognizes Neuberger Berman's 70 bps reduction of the portfolio's expense rate of return going forward into FY2019 based on revised capital market assumptions. The Board also discussed changing the

amortization schedule from 15 years to 10 years. It was agreed that the Actuary would insert parallel projections of a 6.25% return rate in the second year of the Actuarial Report to signal that further change might be considered in the second year.

Neuberger Berman complimented the Board on its thoughtful deliberation on risk and return, and its sophistication compared to other pension funds.

## **OLD BUSINESS**

### **a. 2018 Valuation Plan Assumptions: One-Time Mark-Market; Amortization Schedule, Discount rate**

Upon a motion by Mr. Mynarski, seconded by Mr. Wacek, the Board approved moving the discount rate from 6.75% to 6.50% changing the amortization style from open to closed and reducing the schedule from 15 years to 10 years, one year at a time over the next five years. The Board voted 5-0-0 in favor of the motion.

### **b. Funding Policy Amendment**

Mr. Wacek reviewed changes to the Funding Policy that he proposed; he would amend the draft further to reflect the Board's vote before forwarding the draft to Mr. Berkson and Ms. Graham to formalize its presentation.

Upon a motion by Mr. Wacek, seconded by Mr. Mynarski, the Board voted 5-0-0 in favor of adopting the revised Pension Funding Policy for the Retirement System of the Town of Greenwich.

### **c. Strategic Asset Allocation Amendment (Appendix 1 of IPS)**

Mr. Pellegrino requested that Neuberger Berman prepare a new draft of the asset allocation mix for a vote at the September meeting.

## **EXECUTIVE SESSION**

The Board voted unanimously to go into Executive Session at 9:45 a.m. to review one accidental disability retirement.

Upon a motion by Mr. Mynarski, seconded by Mr. Wacek, The Board voted 5-0-0 to go into Executive Session at 10:03 a.m.

The Board voted unanimously to come out of Executive Session at 10:09 a.m.

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the accidental disability retirement for William Schmitz effective August 1, 2018.

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve a refund of the military buy back of William Schmitz.

**ADJOURNMENT**

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

Respectfully Submitted,

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Catherine Sidor, Recording Secretary

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Joseph Pellegrino, Chairman