TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD
REGULAR MEETING

Thursday, July 30, 2020 Minutes – Virtual Webinar, Greenwich, CT

The meeting of the Retirement Board was called to order at 8:02 A.M.

In attendance were:

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

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

TOG: Aamina Ahmad, Assistant Town Attorney

Selectmen: Fred Camillo, First Selectman

BET: William Drake, Andy Duus, Laura Erickson, Miriam Kreuzer,
Leslie Moriarity, Jeffrey Ramer, Leslie Tarkington, David Weisbrod

RTM: Scott Kalb, (D-7), Public Works; Danyal Ozizmir, (D-5), BOC and LCC;
Bruce Pflug, (D-5), Finance Cmte

Neuberger Berman: Megan 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

Boomershine: Greg Stump, Actuary

Chairman Pellegrino asked the Board to welcome the newly elected Retirement Board Trustee, Andrew A. Greco, and assist him with getting acclimated to his new responsibilities. Mr. Greco was complimented on his successful campaign for the position and assured that a comprehensive orientation is planned before the August Meeting.

Mr. Pellegrino thanked members of the BET and RTM for their feedback and the Retirement Board Trustees’ for their contributions regarding the Plan’s portfolio.
APPROVAL OF MINUTES

Regular Meeting Minutes June 25, 2020

Upon a motion by Mr. Wacek, seconded by Mr. Coyner, the Board voted 4-0-1 (Abstain: Greco) to approve the Minutes of the Regular Retirement Board Meeting of June 25, 2020. Motion carried.

INVESTMENTMENTS AND PERFORMANCE

Performance Report – Quarter Ending June 30, 2020
Mr. Pellegrino suggested that Second Quarter (Q2) comments be brief and focus on particular topics of interest in the year-end Report. Mr. Knutzen noted the challenge of describing the Portfolio’s performance, as Private Market reporting is lagged by a quarter. The Board discussed their responsibility of setting a policy benchmark for the Portfolio’s financial composite which differs from industry benchmarks for a single asset category. Mr. Knutzen reported that after underperformance in the First Quarter (Q1), the Portfolio returned 14.2% in Q2, ahead of the financial benchmark of 12.9%. An RTM attendee asked for visibility of the contents of the Private Market portion and possibly exchange the current benchmarking index for one more relevant to the diversity of the components.

Performance Report 3-year Period Ending June 30, 2020
Mr. Knutzen noted that the Portfolio was consistent with the its Policy strategic asset allocation targets with an actual risk constraint of 11.94%, compared to the Policy’s target of 12.6%. NB demonstrated its ability to add value with active management of asset allocation, selection of equities and the building of Private Market portfolio. Mr. Pellegrino asked that NB reconstruct the 2018 and 2019 annual reports so that the total portfolios could be compared to the total benchmark for the August Meeting.

Investment Policy Statement and Asset Allocation and Portfolio Risk Constraints (Appendix 1) Review
Mr. Knutzen noted that Neuberger Berman (NB) considered the elements of Portfolio construction and cost of the program as drivers for the rate of return. He suggested that the allocation needed to achieve the assumption of either a 6.25% or 6.50% rate of return would benefit from restructuring the Portfolio with tools available to achieve the goal. These tools included increasing passive products, utilizing defensive Fixed Income products, reducing non-US equities, and reducing low performing alternatives to refine Private Market selection. Mr. Pellegrino commented that because of NB’s style and culture, it appeared that investment decisions were being made on the strategic asset allocation targets; he suggested considering passive public market investments combined with active management of the more aggressive holdings to control costs and capture more return.

Upon the completion of the NB presentation, suggested topics for the August Meeting, included a discussion of asset allocation, risk and expectations of NB, review of the entire Investment Policy Statement, re-addressing risk limits that constrain performance, setting separate benchmarks for the Portfolio’s Public financial composite and Private Markets and planning for the impact of inflation.
NEW BUSINESS

Actuarial Presentation – Boomershine Consulting
Mr. Stump focused his remarks on how the Portfolio’s proposed rates of return, of 6.50% and 6.25%, would impact the Plan’s unfunded liability and the Town’s annual contribution. He also discussed that there will be an Experience Study completed this year that will review the Actuarial Assumptions of the Plan that could also affect future Town’s contributions. That led the Board to ask if there will be substantial Plan changes regarding the Fire Fighters CBA, at which time it was communicated that the CBA is in arbitration.

2020 Actuarial Valuation Plan Assumptions – Discount Rate
During the NB and Boomershine presentations, the Board asked questions and discussed the effects of the Discount Rate and changes to it. Mr. Pellegrino would like the Board to review all the information for further discussion and resolution at the August Board Meeting.

Draft Partial Operations Manual
Mr. Pellegrino thanked Mr. Berkson and Ms. Barcello for their great start on organizing the new Operations Manual. He also complimented Mr. Wacek on the extraordinary review and comments on the first draft. The Board’s discussed their thoughts on if the Manual needed to be approved by the Board and to what extent. Mr. Pellegrino stated that there should be a discussion with Assistant Town Attorney Ahmad as to any required and suggested roles the Board should have with the Manual.

Draft Calendar for 2021 (To be voted on at August Meeting)
Mr. Pellegrino asked the Board to review the meeting dates for possible changes before voting on the 2021 Calendar at the August Meeting.

PLAN ADMINISTRATOR REPORT
Mr. Berkson provided a written report and highlighted the following topics:

- Empower/Milliman – Credited service use for benefit calculation has been added to website and retirement packages based on feedback from participant survey. Also had meeting to discuss the successes and challenges of relationship that has now completed one full annual cycle.
- Actuarial Valuation Data – Milliman to forward date to Empower by August 17th.
- A mail campaign was completed to have retired participants receiving paper checks to update to direct deposit.
- August Board Meeting – Due to the early meeting date, September retirement and August expenses will be included in the September meeting.

Mr. Pellegrino pointed out to the new Board Member that the Administrator’s Report was the Board’s method of following the progress of the administration of the Plan.
**APPROVAL OF RETIREMENTS**
The Board reviewed the **August 1, 2020** retirements of the individuals listed below:

Hernando Chaves  
Anthony Christiano  
Jayne-Marie Lockett  
Shelley Gray  
Victoria Quatrone

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

**APPROVAL OF PAYMENTS**

*Routine Disbursement/Refunds*

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<td><strong>Town of Greenwich, Connecticut</strong></td>
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*Upon a motion by Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the above routine disbursements for July 2020. Motion carried.*
Military Buy Back
None

OLD BUSINESS
N/A

EXECUTIVE SESSION
N/A

CHAIRMAN’S REMARKS
Mr. Pellegrino welcomed First Selectman Camillo to the Retirement Board Meeting. Mr. Camillo welcomed the new Trustee to the Board and thanked the Board for its valuable work.

ADJOURNMENT
Upon a motion by Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to adjourn at 10:53 A.M.

Respectfully submitted,

_________________________________
Catherine Sidor, Recording Secretary

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Joseph Pellegrino, Chairman

Next Meetings
Regular Meeting Thursday, August 13, 2020 (Virtual)
Regular Meeting Friday, September 25, 2020 (Virtual)
Regular Meeting Thursday, October 29, 2020 (Virtual)