

**TOWN OF GREENWICH, CONNECTICUT  
RETIREMENT BOARD**

**August 25, 2016 Minutes – Cone Meeting Room**

The regular meeting of the Retirement Board was called to order at 8:04 a.m.

In attendance were:

Members:	John Chadwick, Chairman Kevin Coyner Mark Kordick Peter Mynarski Joseph Pellegrino
Staff:	Atiya Jones, Retirement Administrator
NEPC:	Kevin Leonard Nedelina Petkova (via conference call)
BET:	Bill Drake John Blankley
RTM:	John Dolan Mike Wacek

**APPROVAL OF MINUTES**

Upon a motion by Mr. Pellegrino, seconded by Mr. Mynarski, the Board voted 4-0-1 (Mr. Coyner abstained) to approve the minutes, of the Regular Meeting of July 28, 2016.

**ADMINISTRATOR’S REPORT**

As of August 23, 2016, the State Street cash balance was \$29,631,625. The projected State Street cash balance for September 30, 2016 is \$27,613,124.

Ms. Jones informed the Board that Transamerica deactivated the on-line beneficiary designation on August 16, 2016. As of today, we have not received the listing from Transamerica of the employees that completed the beneficiary designations on-line. There was a brief discussion regarding the future management of the beneficiary designations. We have to rely on the participants to inform the Retirement Department of life events. For example, if a participant has a divorce and doesn’t provide any documentation to the Retirement Administrator, the beneficiary designation prior to the divorce will remain on file.

As of today, we will have pension data updates for several union contracts. Subsequently, the pension payments for the retired Fire fighters will have to be recalculated as of July 1, 2015. The pension payments for the retired GMEA, Teamsters, LIUNA, and LIUNA Representing the Professional Assistants and Security Personnel will have to be recalculated as of July 1, 2016. Also, we have a Vested Term participant with a retirement date adjustment. This adjustment was recognized during the valuation review process.

Ms. Jones updated the Board on the data request for the Retirement System Actuarial Valuation effective July 1, 2016. The second set of information was provided including the Retiree Listing, Term Vested Listing, Payroll files, Pension Eligible Employees Listing, Beneficiary Listing and COLA file. We have received some minor data questions for review. The goal remains to approve the valuation report at the October 27, 2016 Retirement Board meeting.

The Purchasing Department extended the current contract for the Town's Record Keeper Services of Defined Benefit and Defined Contribution to allow for a seamless process for calendar year end projects. The review committee will score the proposals and choose the finalists to invite for interviews.

Ms. Jones reported that Iron Mountain project is progressing well and we are cataloging the remaining files from the historical boxes.

Per the last meeting, Ms. Jones has requested an additional review of the Widow's benefit, QDRO processing and beneficiary designations. Mr. Coyner would like a legal opinion of the Widow's benefit with respect to Mr. Laluna.

**APPROVAL OF PAYMENTS**

<b>Town of Greenwich, Connecticut</b>			
<b>Retirement August 31, 2016</b>			
<b>Payments to be Approved</b>			
<b>Reserve Fund</b>			
V	Pensioners	August Payroll	\$ 2,330,203
	Refunds		
		<b>Pension Payroll Fund Total</b>	\$ 2,330,203
<b>Expense Fund</b>			
SV	Iron Mountain	May 2016 - July, 2016	\$ 345
	McElroy, Deutsch, Mulvaney & Carpenter, LLP	Legal Services June, 2016	\$ 480
	Patterson Belknap Webb & Tyler	Legal Services July 2016	\$ 4,560
		<b>Expense Fund Total</b>	\$ 5,385
<b>Payroll</b>			
PV	Retirement Administrator	August - Ms. Jones	\$ 7,375
	Temporary Assistance for Iron Mountain Project	August - Ms. Fiorante	\$ 2,394
		<b>Staff Payroll Fund Total</b>	\$ 9,769
		<b>Grand Total</b>	<b><u>\$2,345,357</u></b>

Upon a motion from Mr. Mynarski seconded by Mr. Coyner, the Board voted 5-0-0 to approve the above payments for \$2,345,357.

**RETIREEES**

The Board reviewed the retirement profiles for the three individuals listed below:

September 1, 2016

1. Deborah Angotto
2. Rosemary Campbell
3. Barbara Fortunato

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the retirements for the three individuals listed above for Retirement on September 1, 2016.

## **INVESTMENTS AND PERFORMANCE**

Presentation by Welsh, Carson, Anderson & Stowe (8:45 am)  
Jonathan M. Rather, General Partner

Mr. Rather provided an overview of the performance of the existing funds WCAS IV, WCAS XI and WCAS XII. Since inception, the IRR for WCAS IV is 5.51%, WCAS XI is 13.09% and WCAS XII is -9.37%. The focus of all new investments will be in the WCAS XII fund. Also, they will not raise another debt fund unless there is a major market change.

Mr. Rather discussed the joint ventures with non-profits and the portfolio of US based companies. Mr. Pellegrino and Mr. Rather reviewed the performance of IBS versus Healthcare companies. Mr. Chadwick questioned the Buy and Hold strategy. A good feature of their funds is they don't distribute and call back capital. The Board decided to let our investment income flow directly through WCAS XII Acquisition in accordance with our WCAS XII side letter, which will generate an Unrelated Business Taxable Income (UBTI).

Presentation by NEPC (9:41 am)  
Kevin Leonard, Partner  
Nedelina Petkova, Analyst (via conference call)

Mr. Leonard presented the Flash Report for the Period Ending July 31, 2016. Fund Balance was \$413,633,426. Rate of return for July 2016 was 2.6% and for the Fiscal Year to Date is 2.6%. Rate of return for the Year to Date is 5.7%.

Mr. Leonard presented the Private Markets Review for the First Quarter of 2016. The conclusions from this comprehensive report are:

- a. Since inception of 1998, the Retirement System has an annualized IRR of 4.23%.
- b. As of 2008, the Retirement System has an annualized IRR of 6.73%.
- c. PineBridge (AIG) PEP V US Venture has been the best performer with an annualized IRR of 13.39%.
- d. HarbourVest Partners X is not included in the IRR because inception was in 2016.

The Board will continue to review leverage versus non-leverage investments. Mr. Chadwick would like to review distressed debt funds. Mr. Pellegrino reminded the Board that governance prevents the Retirement Board from realizing the full potential of the investments decisions. The one million dollar investment in the Russell 3000 Exchange Traded Fund (Symbol: IWBV) traded at 128.68 on August 25, 2016, the Retirement Board's purchase price on August 4, 2016 was 127.99.

Mr. Chadwick will follow-up with the Law department regarding the process for investments. The Board will continue the discussion in September.

**NEW BUSINESS**

**Calendar for 2017**

Upon a motion from Mr. Coyner, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the calendar for 2017.

**OLD BUSINESS**

None.

**Executive Session**

The Board voted unanimously to go into Executive Session at 10:47 a.m. to review administrative items.

The Board voted unanimously to come out of Executive Session at 11:21 a.m.

**ADJOURNMENT**

A motion to adjourn was made by Mr. Mynarski, seconded by Mr. Pellegrino, and carried unanimously at 11:22 a.m.

Respectfully Submitted,

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Atiya Jones, Secretary to the Board

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John D. Chadwick, Chairman