

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

September 27, 2018 Minutes – Cone 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 (left 9:59 a.m.) Mike Wacek
Staff:	Ken Berkson, Retirement Administrator Linda Culver, Clerical Assistant Mary Pepe, Director Human Resources
BET:	William Drake Andy Duus Anthony Turner David Weisbrod
Neuberger Berman:	Michael Savinelli Meghan Doyle Andrew White
RTM:	Miriam Kreuzer

APPROVAL OF MINUTES

Upon a motion by Mr. Mynarski, seconded by Mr. Wacek, the Board voted 5-0-0 to approve the minutes of the regular meeting of July 26, 2018.

ADMINISTRATOR’S REPORT

Mr. Berkson expressed his thanks and appreciation for the assistance he is receiving regarding his new responsibilities as Retirement Administrator.

Mr. Berkson commented that there had been eight retirements in September and five for October.

Mr. Berkson reported that the transition from Transamerica to Empower Retirement/Milliman (“Empower”) is progressing well and requires a significant amount of time, and is an excellent learning experience. The following steps will need to be reviewed prior to the completion of the transition: 1) plan specifications; 2) test calculations; 3) data; 4) payroll files; 5) estimate and retirement packages; and, 6) retirement process. He also discussed the data issues the Town was having with Transamerica. It was decided that the Town would assist Empower in the recreation of data from July 1, 2013 (the date data had been previously completed and reviewed for Transamerica). He also communicated that we are on target for the transition to be effective December 21, 2018.

Mr. Berkson reported that the transition from Transamerica to State Street Bank and Trust Company (“State Street”) for benefit payments is progressing and on target for State Street to make the January payments. He also stated that Empower is involved in the process.

Mr. Berkson discussed the retro-pay issues that are occurring due to recent contract settlements. Specifically, payroll has led to over-stating benefit calculations. An example is the Firefighters who received three years of retro-pay in 2018. The retro-pay should have been assigned to the previous payrolls over the past three years, but instead were all included in 2018 pay. The files are currently being updated for Transamerica and Empower. Upon receipt of updated data, Transamerica will update participants in pay status. There will also be a process set up with Empower to facilitate future retro-pays to avoid these issues.

Mr. Berkson thanked Ms. Graham and Mr. Gieger for their assistance.

Mr. Pellegrino commented on the amount of labor and talent invested in the transition process, special projects (i.e., retro pay) and maintaining data accuracy. He suggested that the Board should review its’ staffing model and recommended adding a full-time staff position. The Board members discussed the addition of a staff member briefly and will add it to the Board’s October meeting, which will include a job description.

Mr. Mynarski commented on the amount that should be budgeted in FY 2019-2020 for outside legal counsel. After discussion, it was decided to budget \$50,000.

APPROVAL OF RETIREES

The Board reviewed the **September 1, 2018** retirements profiles for the eight individuals listed below:

1. Johnathan Henry
2. Michael Hackett
3. Sharon Kagan
4. Kristine Mahoney
5. Terrance Murphy
6. Peggy Schwartz
7. Rocco Saba
8. Pamela Simpson

Upon a motion made by Mr. Mynarski, seconded by Mr. Wacek, the Board voted 5-0-0 to approve retirement on September 1, 2018 for the eight individuals listed above.

The Board reviewed the **October 1, 2018** retirements profiles for the five individuals listed below:

1. Bruce Spaman
2. Dennis Gilmore
3. Patricia Ranta
4. Mary Walczykowski
5. Linda Lorch

Mr. Berkson also noted Mr. Gilmore and Ms. Lorch will be receiving retro payouts.

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve retirement on October 1, 2018 for the five individuals listed above.

APPROVAL OF PAYMENTS

Town of Greenwich, Connecticut			
Retirement August 31, 2018			
Reserve Fund			
V	Pensioners	August Payroll	\$ 2,571,769.81
		Pension Payroll Fund Total	\$ 2,571,769.81
Expense Fund			
SV	Iron Mountain		\$ 86.07
		Expense Fund Total	\$ 86.07
Payroll			
PV	Retirement Administrator	July - Mr. Berkson	\$ 807.70
	Retirement Administrator	August - Mr. Berkson	\$ 9,288.66
	Interim Administrator	August-Ms. Graham	\$ 1,000.00
	Temporary Assistant	August-Ms. Culver	\$ 2,843.50
		Staff Payroll Fund Total	\$ 13,939.86
		Grand Total	\$ 2,585,795.74

Town of Greenwich, Connecticut			
Retirement September 30, 2018			
Reserve Fund			
V	Pensioners	September Payroll	\$ 2,576,729.20
		Pension Payroll Fund Total	\$ 2,576,729.20
Expense Fund			
SV	Iron Mountain	September 2018	\$ 86.07
	Dupli Envelope & Graphics	Inv # 821673 9/14/2018	\$ 155.73
		Expense Fund Total	\$ 241.80
Payroll			
PV	Retirement Administrator	September- Mr. Berkson	\$ 8,750.00
	Interim Administrator	September-Ms. Graham	\$ 1,000.00
	Temporary Assistant	September - Ms. Culver	\$ 2,135.00
		Staff Payroll Fund Total	\$ 11,885.00
		Grand Total	\$ 2,588,856.00

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the above payments for August and September.

OLD BUSINESS

a. Draft Calendar for 2019

Mr. Pellegrino asked the Board members to comment on the proposed 2019 calendar. There will be ten Regular Meetings scheduled with no meetings in August and November. Neuberger Berman will attend quarterly to report on asset performance, in April, July, October and January and will present an update/review of the private equity/private debt portfolio in May. Boomershine will attend 2 meetings, in July and October, regarding the Plan's Actuarial Valuation.

Upon a motion from Mr. Wacek, seconded by Mr. Kordick, the Board voted 5-0-0 to approve the 2019 calendar.

Mr. Savinelli requested that Neuberger Berman be permitted to invest in a private equity investment. The Town's agreement requires permission by the Board for any non-Neuberger Berman private investment funds. Neuberger Berman presented an authorizing document for signature consent of the Board. Mr. Pellegrino noted that it was investing approximately \$1.5M in a direct ownership stake in hotels. The proceeds would be used for renovation and repositioning of the hotel portfolio. Mr. Pellegrino signed the document.

NEW BUSINESS

a. Strategic Asset Allocation Amendment (Appendix 1 of IPS)

Mr. Wacek proposed that the Board formally change Appendix 1 of the Investment Policy Statement (“IPS”) to reflect the updated information from Neuberger Berman about capital market assumptions and returns. Distributing a four-page document, Mr. Wacek explained the three options for target rates of return, risk and asset mix to be considered by the Board. The target rates were 6.23% (current return), 6.25% and 6.50%. Mr. Wacek recommended adopting one of the scenarios until the next update of assumptions.

Mr. Wacek noted that Neuberger Berman is still transiting some of the Retirement portfolio to the current target. Mr. Coyner asked about what the strategic target means to Neuberger Berman. Mr. Savinelli commented that it is to meet the Town’s long term target rates on a quarterly basis. Mr. Savinelli commented that Option B optimized the asset mix. Mr. Coyner also commented on the 46% maximum on Real and Alternative Asset class and suggested that this be changed to 40%.

Upon a motion by Mr. Mynarski, seconded by Mr. Kordick, the Board voted 5-0-0 in favor of a 6.25% target rate of return.

Upon a motion by Mr. Coyner seconded by Mr. Pellegrino, the Board voted 5-0-0 in favor of the 40% maximum to the Real and Alternative Asset class.

Mr. Mynarski asked Mr. Berkson to review and update the Retirement Fund’s IPS and post to the Town’s website.

EXECUTIVE SESSION

None.

ADJOURNMENT

Mr. Wacek made a motion, seconded by Mr. Kordick, the Board voted 4-0-0 to adjourn the meeting at 10:04 A.M. (Mr. Mynarski was absent at the time the vote was taken.)

Respectfully Submitted,

Catherine Sidor, Recording Secretary

Joseph Pellegrino, Chairman