

**TOWN OF GREENWICH, CONNECTICUT
RETIREMENT BOARD**

October 25, 2018 Minutes – Gisborne Meeting Room

The regular meeting of the Retirement Board was called to order at 8:00 a.m.

In attendance were:

Members:	Joseph Pellegrino, Chairman Kevin Coyner Mark Kordick Peter Mynarski (left 11:30 a.m.) Mike Wacek
Staff:	Ken Berkson, Retirement Administrator Linda Culver, Clerical Assistant Alison Graham, Employee Benefits Manager
BET:	William Drake Andy Duus David Weisbrod
Neuberger Berman:	Michael Savinelli Meaghan Doyle Erik Knutzen Andrew White
Boomershine Consulting Group:	Greg Stump
RTM:	Miriam Kreuzer

APPROVAL OF MINUTES

Upon a motion by Mr. Wacek, seconded by Mr. Mynarski, the Board voted 5-0-0 to approve the minutes of the regular meeting of September 27, 2018.

NEW BUSINESS

Neuberger Berman (“NB”) – Portfolio Performance

Mr. Knutzen presented a market overview, including the most recent challenges in October. He commented on the many market challenges and the unusual divergence within the markets, specifically the US and International markets. He also noted the increase in Fed interest rates versus worldwide inflation. He believes there is short term risk and long-term opportunity. Mr. Knutzen continued with NB’s outlook and items they discuss, such as does the International market catch up and US market stabilize? He also discussed the recent trading volatility, which he felt will be more the expected standard going forward.

Mr. White then presented an overview on the Town’s Retirement Plan portfolio. He went through the Retirement Plan’s target portfolio positions and returns, commenting that 2018 Q3, 2018 YTD, and performance since NB inception, as of September 30, 2018 have been above target goals. Mr. Pellegrino commented that he was appreciative of NB’s accomplishments to date and asked about the market going forward. Mr. White stated that NB believes that the strong US market cycle could extend and they will continue to move towards the Retirement Plan’s target investment policy allocation percentages. Mr. White also stated that the equity market is down in October and the Retirement Plan’s portfolio is expected to be negative for the month.

Mr. Kordick referred the Board to an issue brought up at the Investment Advisory Committee about developing a policy regarding a maximum percentage of a single fund that the Retirement Plan can invest in, to avoid liquidity risk. NB discussed the current fund that escalated this question and stated liquidity is not an issue. The Board will discuss and decide if any additional language needs to be added to the Investment Policy Statement in their annual review.

Boomershine Consulting Group – Actuarial Valuation Report (“Valuation”)

Mr. Pellegrino began by asking that the Board plan on taking a vote at today’s meeting based on Mr. Stump’s draft Valuation, with the understanding that another vote could be necessary if there were significant changes in the final report. Mr. Stump walked the Board through the Executive Summary of the Valuation. He stated that, aside from the effect of the Silver Shield contract, which he would discuss separately, there were no surprises compared to his July Valuation preview arising from updated demographic experience or retroactive salary and cost-of-living increases implemented in the past year. Likewise, the reduction in the investment return assumption to 6.50% from 6.75% had, as expected, increased the July 2019 (FY2020) recommended Town Contribution to \$22.9M (vs. \$20.8M at 6.75%) and decreased the Plan’s funding ratio to 77.0% (79.2% at 6.75%).

Mr. Stump then discussed the impact on the Valuation and the Town Contribution of the Plan-related changes in the July 1, 2017 Silver Shield contract ratified in October 2018. (Those changes included the addition of a contractual cost-of-living allowance, an increase in participant contributions to 6% and frozen participation for new employees.) These changes increased the Actuarial Accrued Liability by \$3.3M as of the Valuation Date and the unfunded liability by the same amount. He pointed out that the Board’s Funding Policy provides that the additional

liability arising from Plan changes be amortized over a period not to exceed 15 years, and he proceeded to explain a set of options ranging from funding the full amount in July 2019 to other options including 3-year, 5-year, 10-year and 15-year amortization.

Following extensive discussion about the merits of different amortization periods, Mr. Coyner made a motion, seconded by Mr. Wacek, to fund the Silver Shield changes over a 5-year amortization period, and the Board voted 3-2-0 in favor of the motion. (Opposed: Mynarski, Pellegrino. Mynarski preferred a 15-year period; Pellegrino preferred 10 years.)

Upon a motion by Mr. Wacek, seconded by Mr. Coyner, to accept the draft Valuation showing a total July 2019 (FY2020) Town Contribution of \$23,715,726, subject to language updates to reflect the 5-year amortization motion for the Silver Shield contract benefit changes, the inclusion of 5-year projections at the end of the report, and other clarifying language changes, the Board voted 4-1-0 in favor of the motion. (Opposed: Mynarski. His objection was to the 5-year amortization of the cost of the Silver Shield contract benefit change that would be reflected in the Valuation report.)

ADMINISTRATOR'S REPORT

Mr. Berkson limited his presentation to the written report, due to time limitations.

Mr. Kordick commented about the blackout period during the transfer of record-keeping responsibilities from Transamerica to Empower. Mr. Berkson responded that the Defined Benefit Plan would not have a blackout period and that the change will be effective on December 21st. The blackout period is only for the Defined Contribution Plans, and is standard for plans converting from one record-keeper to another.

APPROVAL OF RETIREES

The Board reviewed the **November 1, 2018** retirements' profiles for the four individuals listed below:

1. Jean Goldstein
2. Richard Funck
3. Mary Jersey
4. Daniel Ingraham

A motion was made by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve retirement on November 1, 2018 for the four individuals listed above.

APPROVAL OF PAYMENTS

A. Routine Disbursements

B. Refunds

Town of Greenwich, Connecticut			
Retirement October 31, 2018			
Reserve Fund			
V	Pensioners	October Payroll	\$ 2,620,313.08
	Refunds:		
	Samantha Petfield		\$ 6,673.85
	Luke Kelly		\$ 26,382.49
	Charles Eible III		\$ 77,961.39
		Refund Total	\$ 111,017.73
		Pension Payroll Fund Total	\$ 2,731,330.81
Expense Fund			
SV	Iron Mountain	Storage	\$ 86.07
	Greenwich Hospital	Medical disability review	\$ 1,410.00
	Boomershine Consulting	Actuarial Services	\$ 3,335.00
		Expense Fund Total	\$ 4,831.07
Payroll	Retirement Administrator	October –Mr. Berkson	\$ 8,750.00
PV	Interim Retirement Admin	October – Ms. Graham	\$ 1,000.00
	Temporary Assistant	October-Ms. Culver	\$ 2,471.64
		Staff Payroll Fund Total	\$ 12,221.64
		Grand Total	\$ 2,748,383.52

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, The Board voted 5-0-0 to approve the above routine disbursements for October.

Upon a motion from Mr. Mynarski, seconded by Mr. Coyner, the Board voted 5-0-0 to approve the above refund disbursements for October.

C. Military Buy Backs

None.

NEW BUSINESS (contd.)

Budget FY2019-2020

Mr. Mynarski provided an overview of the July, 2019 (FY2020) budget. He also updated the Board on the request to the HR Committee on the immediate need for a permanent PT position to replace the Retirement Board's current Temp position. The Board then discussed multiple options for both the July, 2019 (FY 2020) budget and prior to such time.

Upon a motion from Mr. Pellegrino, seconded by Mr. Coyner, to accept the July, 2019 (FY2020) budget, subject to a change to include a second FT employee position, the Board voted 5-0-0 to approve the July, 2019 (FY2020) Retirement Plan's budget.

Additional discussions continued about an additional employee to the Plan Administrator prior to July, 2019 (FY2020) and Mr. Kordick also brought up whether the Town Charter requires a different reporting structure for the Retirement Plan Administrator. Mr. Pellegrino suggested that the Board work on having these discussions in a Special Retirement Board meeting to be held before the next HR Committee meeting that takes place on November 13, 2018.

EXECUTIVE SESSION

The Board voted unanimously to go into Executive Session at 11:24 a.m. to review an accidental disability retirement.

The Board voted unanimously to come out of Executive Session at 11:28 a.m.

Upon a motion by Mr. Wacek, seconded by Mr. Kordick, the Board voted 5-0-0 to approve the Accidental Disability Retirement for Mr. Flores-Velazco.

NEW BUSINESS (contd.)

March 28, 2019 Board Meeting – Change Date

Meeting date changed to March 21, 2019.

Policy for Defined Benefit Plan Employee Contributions Not Withheld

The Board voted, 4-0-0 (Mr. Mynarski was absent due to early departure) to the amended policy, where the Town will waive the interest that would have accrued to any missed contributions due to an error on the part of the Town of Greenwich, leaving only the missed contributions as the participant's deficiency.

Mr. Berkson commented that he has placed on his project list, to review participants and their contribution status.

OLD BUSINESS

None.

ADJOURNMENT

Upon a motion by Mr. Coyner, seconded by Mr. Wacek, the Board voted 4-0-0 to adjourn the meeting at 11:40 A.M. (Mr. Mynarski was absent due to early departure)

Respectfully Submitted,

Catherine Sidor, Recording Secretary

Joseph Pellegrino, Chairman

Next Meetings:

Regular Meeting November 2018 – None
Special Meeting December 4, 2018
Regular Meeting December 13, 2018