

**TOWN OF GREENWICH, CONNECTICUT  
RETIREMENT BOARD  
January 28, 2016 Minutes –Cone Meeting Room**

The regular meeting of the Retirement Board was called to order at 8:03 a.m.

In attendance were:

Members:	John Chadwick, Chairman Kevin Coyner Mark Kordick (until 9:18am) Peter Mynarski (until 12:00pm) Joseph Pellegrino
Staff:	Atiya Jones, Retirement Administrator Mary Pepe, Director of Human Resources Wayne Fox, Town Attorney
NEPC:	Kevin Leonard
BET:	Bill Drake John Blankley Leslie Moriarty
RTM:	John Dolan
Others:	Attorney Kevin Greco

### **INTRODUCTIONS**

The Chairman of the Board welcomed and introduced Joseph “Joe” Pellegrino.

### **EXECUTIVE SESSION**

Upon a motion from Mr. Pellegrino, seconded by Mr. Mynarski, the Board voted 5-0-0 to begin Executive Session at 8:05am to review an accidental disability retirement. They were joined by Director of Human Resources Ms. Mary Pepe, Town Attorney Mr. Wayne Fox and Attorney Mr. Kevin Greco. Mr. Mark Kordick left the board meeting and executive session at 9:18am.

Upon a motion from Mr. Pellegrino, seconded by Mr. Mynarski, the Board voted 4-0-0 (Mr. Kordick absent) to end Executive Session at 9:26am.

### **APPROVAL OF MINUTES**

Upon a motion by Mr. Mynarski, seconded by Mr. Coyner, the Board voted 3-0-1 (Mr. Pellegrino abstained, Mr. Kordick absent) to approve the minutes as amended of the Regular Meeting of December 17, 2015.

## **ADMINISTRATOR'S REPORT**

As of January 22, 2016, the State Street cash balance was \$33,500,907 (this does not include GAM funding of \$19 million). The projected State Street cash balance for February 29, 2016 is \$11,614,290 (\$30,614,290 minus \$19,000,000). This projection includes 2 payrolls funding and employee contributions through February 29, 2016.

Ms. Jones informed the Board Transamerica stopped sending the Direct Deposit Advices as of November 30, 2015. This was a global decision for all their clients. We have reached out to Transamerica's senior management regarding the Town's concerns of service to our participants. Ms. Jones will have a conference call on January 29, 2016 for a resolution update from Transamerica on this issue. Ms. Jones provided updates of Transamerica's outstanding items. Mr. Coyner suggested we get an expected completion date from Transamerica for the retirement election forms.

Ms. Jones discussed the retired rehired employees. The employee hours report is in the final review and letters are scheduled to be sent by February 19<sup>th</sup>. It should be noted that the scope of this review is for retirees of the pension plan and not the entire population of part-time employees.

There is an upcoming retiree with a domestic relations order. The alternate payee refused to certify a waiver to future benefits from the Town. Ms. Jones requested the Town's law department to review the forms and opine on the next steps to process this retirement. The Town's law department suggested Ms. Jones request additional documentation from the participant's attorney. This request was submitted on January 20, 2016. As of today, we have not received a response.

Ms. Jones informed the board of the grievance filed by Silver Shield regarding the deficiency of police officers. The two participants in question are (1) GMEA transfer to Silver Shield and (2) Silver Shield only with missing historical data. It was noted the deficiencies due to a transfer has previously been resolved and those deficiencies should not be waived. The employee who was always a Silver Shield and the Town cannot provide a reason for the deficiency due to missing data, his deficiency should be waived. Ms. Jones requested a listing from Transamerica of all Public Safety employees with a deficiency for review.

Ms. Jones reviewed the Outstanding Items list from the December 17, 2015 meeting. Mr. Chadwick requested the completed items to be deleted in the future report.

Attorney Richard Cohen of Shipman and Goodwin reviewed the material for the IRS Cycle E filing. The Board approved the filing.

## **RETIREES**

The Board reviewed the retirement profile for the individual listed below:

January 1, 2016

1. Donnell Fludd

Upon a motion from Mr. Pellegrino, seconded by Mr. Mynarski, the Board voted 0-3-1 (Mr. Coyner abstained, Mr. Kordick absent) not to approve the Accidental Disability Retirement for January 1, 2016. This decision was due to the Town's approved doctor's evaluation that the participant is not deemed permanently disabled at this time.

It was noted that this vote today doesn't restrict Officer Fludd from applying for Accidental Disability Retirement in the future.

### **APPROVAL OF PAYMENTS**

<b>Town of Greenwich, Connecticut</b>			
<b>Retirement JANUARY 31, 2016</b>			
<b>Payments to be Approved</b>			
<b>Reserve Fund</b>			
V	Pensioners	JANUARY PAYROLL	\$ 2,269,199
	Refunds		
		<b>Pension Payroll Fund Total</b>	\$ 2,269,199
<b>Expense Fund</b>			
SV	Shipman and Goodwin	November 2015 Expenses - IRS Cycle E	\$ 2,578
	Shipman and Goodwin	Other Retirement 2015 Expenses	\$ 1,531
	Westy's	Feb, 2016-Mar, 2016	\$ 338
	Boomershine Consulting	Progress Invoice for July 1, 2015 Valuation	\$ 2,873
	Boomershine Consulting	Additional Assumption Changes	\$ 3,794
	Boomershine Consulting	Progress Invoice for Experience Study	\$ 5,400
		<b>Expense Fund Total</b>	\$ 16,513
<b>Payroll</b>			
PV	Retirement Administrator	January - Ms. Jones	\$ 7,231
		<b>Staff Payroll Fund Total</b>	\$ 7,231
		<b>Grand Total</b>	<b>\$ 2,292,943</b>

Upon a motion from Mr. Mynarski seconded by Mr. Coyner, the Board voted 4-0-0 (Mr. Kordick absent) to approve the above payments as amended for \$2,292,943.

### **INVESTEMENTS AND PERFORMANCE**

Presentation by EIG (9:35 am) – Wallace Henderson (Managing Director) and AJ Washington (Senior Vice President)

Mr. Henderson provided an update on the Town's current investment of the EIG Funds. They are expecting a 7%-9% markdown for EIG Fund XVI. For the fourth quarter, they are expecting a 3%-5% valuation increase for EIG Fund XV. Also, EIG Fund XV will mature in 2023 and is closed to new investors.

EIG Energy Funds Update as of September 30, 2015 (Page 26)

There was a lengthy discussion of company performance. Chesapeake and BlackBrush NewCo, LP are over leveraged and have no choice but to restructure their debt by offering bond holders equity. EIG has already done this with Chesapeake. Jamestown Resources is expected to eventually be profitable. EIG's estimated first quarter barrel and gas pricing has been reduced from \$68 to \$58 and \$3.21 to \$3.03, respectively. Mr. Pellegrino questioned their future plans for discounting prices. There will still be more bankruptcies and the surviving companies, as noted above, will need to restructure their outstanding debt.

Mr. Leonard presented the Flash Report for the Period Ending December 31, 2015. Fund Balance was \$385,790,859. Rate of return for December 2015 was -1.3% and for the Fiscal Year to Date is -3.6%. Rate of return for the last 12 months is -1.1% before factoring in the performance of our private debt and equity holdings.

Mr. Leonard presented the 2016 Actions and Market Assumptions. The dialog centered on NEPC's 2016 expected 5-7 year rate of return of 6.8%. In December, the Board approved a reduction in the assumed rate-of-return to 6.75%. Mr. Chadwick expressed concern that the indices may yet prove to be too high. Mr. Pellegrino suggested the Board make the BET aware in September of the Board's decision to modify the rate of return assumption.

The Board discussed an investment in HarbourVest X. Fund X will differ from Fund IX in that it will not have a fixed income component. All the investments will be equity buyouts or venture capital. Mr. Chadwick made the case that HarbourVest had been one of our best investments. The Board should look at Fund X as a logical replacement for Fund IX which is almost fully invested. Mr. Pellegrino requested that Mr. Leonard provide the subscription documents so that the Town's Law Department can start their review. Mr. Chadwick will grant Mr. Pellegrino time to review the materials and the Retirement Board will discuss and vote on this investment at a future meeting. This fund will close in the second quarter of 2016.

Mr. Leonard reminded the Board the Pacing Plan recommendation is for only \$7 million to be invested in private equity in 2016; however, because of the fast pace capital is being returned, we could probably invest \$10 million in Fund X.

Ms. Jones confirmed the first capital call of \$1,027,575 for Monroe Capital Private Credit Fund II was processed January 5, 2016. Also, the initial investment of \$19 million for GAM has been processed.

Upon a motion from Mr. Coyner seconded by Mr. Pellegrino, the Board voted 4-0-0 (Mr. Kordick absent) to approve the LREP VII - Amendment No. 2.

## **OLD BUSINESS**

Mr. Drake provided an update on the BET procedure for Retirement Board Investments. This is a BET item and will not be a part of the Retirement Board's review process. However, the goal is to clarify roles of review and remove inefficient processes.

Mr. Chadwick and Mr. Mynarski discussed the assumed rate-of-return for the actuarial study. Also, Mr. Leonard explained the reason why other municipalities do not change their rates even though they do not expect to make an 8% return is because of budgets. Therefore, some decisions are based on budget constraints and not actuarial expectations.

Mr. Leonard reported that he has provided Mr. McLaughlin with the requested ERISA and insurance commission policy information. At this time, Mr. McLaughlin doesn't need additional documentation from NEPC.

## **NEW BUSINESS**

Upon a motion from Mr. Pellegrino seconded by Mr. Coyner, the Board voted 4-0-0 (Mr. Kordick absent) to approve the action to authorize submission to IRS Cycle E Submission for January 29, 2016.

## **ADJOURNMENT**

A motion to adjourn was made by Mr. Pellegrino, seconded by Mr. Coyner, and carried unanimously at 12:15 p.m.

Respectfully Submitted,

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Atiya Jones, Secretary to the Board

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John D. Chadwick, Chairman