5/18/2010 **CITY OF NORWALK**

NORWALK MUNICIPAL EMPLOYEES' PENSION BOARD

APRIL 14, 2010

ATTENDANCE: Michael Sweeney, Chairman; Joseph Pramer, Charles Pirro, Marilyn Maitland, NMEA, David Archer, Local Union 2405;

STAFF: Fred Gilden, Comptroller; Thomas Hamilton, Finance Director John Schlosser, Personnel Administrator;

OTHERS: Evaluation Associates: Ellen Petrino, Laura Kunkemueller; Ed Hynes

Call to Order

Mr. Sweeney called the meeting to order at 6:05 p.m.

Approval of Minutes from March 10, 2010

Mr. Pirro noted that Mr. Nash's name was left off of the attendance, when he was, in fact present at the meeting. Mr. Pramer clarified his statement on page 1 last paragraph, first sentence. He asked to add a discussion of pension plan contributions to the agenda, and Mr. Hamilton stated that he could provide a brief explanation of defined pension benefit plans at the end of the meeting.

** **MR. PIRRO MOTIONED TO APPROVE THE MINUTES OF THE MARCH 10, 2010 MEETING AS SUBMITTED WITH CORRECTION NOTED.**
** **MR. PRAMER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

APPROVAL OF PENSION APPLICATIONS

Name: Frederic Quittell Commencement Date: April 22, 2010
Vested Standard Form

Name: Dorothy Youngs Commencement Date: April 2, 2010Vested
Normal Standard Form

Name: Ronti Teodoro Commencement Date: March 13, 2010
Vested Option 2

**** MR. PIRRO MOVED TO APPROVE THE PENSION APPLICATIONS FOR FREDERIC QUITTELL, COMMENCEMENT DATE: APRIL 22, 2010; DOROTHY YOUNGS, COMMENCEMENT DATE: APRIL 2, 2010 RONTI TEODORO, COMMENCEMENT DATE: MARCH 13, 2010 AS SUBMITTED.**
**** MR. PRAMER SECONDED.**
**** MOTION PASSED UNANIMOUSLY.**

Review of Preliminary March Performance by Evaluation Associates

Ms. Kunkemueller distributed The City of Norwalk Performance Measurement report dated March 31, 2010. She stated that the total fund is at $321,217,482 and the actual allocations are close to the approved targets and the performance is in line with the custom benchmarks. She provided a review by manger and by asset class.

Performance Review Presentation: Wellington Commodities

Ms. Kunkemueller introduced Mr. Gerald Crean and Mr. William Samuels from Wellington Management Company, LLP who stated they would be presenting their Relationship Review and Performance Review of the Commodities Portfolio.

Mr. Samuels provided a background of the firm highlight that the firm was founded in 1979, as a private partnership, independent, with 113partners, all active in business, with no outside capital, 3 managing partners focused on investment, liquid securities, and a global commitment. He added that their investment platform is a multiple investment approach with research disciplines, independent proprietary research by career analysts, no CIO, and globally empowered portfolio teams.

Mr. Crean referred to the charts on pages 6-7 and stated that in their commodities portfolio, what differentiates their active commodities strategy is their commitment to the natural resources area, experienced fundamental research team, diversified strategic benchmark, broad commodity opportunity set, and conservative guidelines an tight risk controls.

Following in depth reviews and discussion of the charts as presented on pages 16, 18, 19, 20 and 21, Mr. Crean summarized that Wellington's emphasis can be captured on page A22.   He highlighted Backwardation and Contango as the basis of "roll yield".
Mr. Sweeney asked for a review of the structure of investments on page 21, and Mr. Crean further explained by referring to the S&P GSCI Commodities Portfolio Performance 2006-2009 chart from page A8 and A9 of the presentation. He stated that the total return index has three components: spot return, roll return and return on collateral. Mr. Pramer questioned the performance of the roll yield and requested supporting documentation of the monthly returns by manager, along with monthly returns of the index.

The Wellington review concluded at 8:15 p.m. and was followed by a discussion of the presentation. Mr. Sweeney stated that Wellington is a proven leader in the industry. Ms. Petrino stated that she has high confidence in Wellington. Blackstone and Wellington are more similar to each other than they are to the current manager PIMCO.

Discussion of Commodities

Mr. Sweeney stated that the next item on the agenda was Discussion of Commodities, and in view of the extensive presentation from Wellington , now would be the time to review an increase in the allocation. He asked Ms. Petrino to provide a refresher of her review of PIMCO.She replied that her concern with PIMCI related to roll and that of the three managers, Blackstone, Wellington and PIMCO, she found PIMCO least attractive. Further, she stated that Blackstone and Wellington would be good complements.

Mr. Sweeney asked what the cash flow needs were, and Mr. Gilden replied that he will need to take approximately $5 million in June for pension payments, and asked for an update on cash in/capital calls.

Mr. Pirro stated that funds could come from PIMCO. Ms. Petrino replied that there was no pressure to do this immediately as funds are commingled with monthly liquidity. She recommended waiting another month. Discussion continued about raising money to fund an increased commodity allocation.

Mr. Pirro recommended terminating PIMCO and taking the remaining money needed to fund the $12 million in Commodities from Silchester

** **MR. PIRRO MOVED TO TERMINATE PIMCO ($10.4) MILLION, TAKE $1.6 MILLION FROM SILCHESTER, PUT $6 MILLION INTO BLACKSTONE AND $6 MILLION INTO WELLINGTON.**

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** **MR. GILDEN SECONDED.**

** **MOTION PASSED UNANIMOUSLY.**

Mr. Sweeney asked to have MaryAnn DiMaggio, Director of Global Fixed Income at Evaluation Associates attend the next meeting to discuss fixed income. Ms. Petrino agreed.

Other Business

Mr. Hamilton stated that in response to Mr. Pramer's request to discuss pension fund contributions, that the City has had a define benefit pension plan and any change would require an amendment to the City charter. He added that in collective bargaining agreements over the past 3-5 year terms there have been discussions on recommended changes to a restructured process, based on other cities changes to their benefit plans. He stated that with upcoming future negotiations, a change to the define pension plan could result.

ADJOURNMENT

**** MR. PRAMER MOVED TO ADJOURN.**
**** MR. PIRRO SECONDED**
**** MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:55 p.m.

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services