Revised 4/27/2010

CITY OF NORWALK
NORWALK MUNICIPAL EMPLOYEES' PENSION BOARD
MARCH 10, 2010

ATTENDANCE: Michael Sweeney, Chairman; Joseph Pramer, Gerald Moran, Frank Nash, Charles Pirro, Fred Gilden, Marilyn Maitland, NMEA, David Archer, Local Union 2405.

STAFF: John Schlosser, Personnel Administrator; Thomas Hamilton, Finance Director.

OTHERS: Evaluation Associates: Ellen Petrino, Laura Kunkemueller.

Call to Order

Mr. Sweeney called the meeting to order at 6:35 p.m.

Approval of Minutes from January 13, 2010

Mr. Moran stated that the last sentence on page one should be deleted, as he does not recall making that statement. Ms. Petrino stated that the date of the minutes should read December 9 not 6

** **MR. NASH MOTIONED TO APPROVE THE MINUTES OF THE JANUARY 13, 2010 MEETING AS SUBMITTED WITH CORRECTIONS NOTED.**
** **MR. MORAN SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

APPROVAL OF PENSION APPLICATIONS

Name: James V. Minor	Commencement Date: December 6, 2009 Vested Standard Form
Name: Wanda Santiago	Commencement Date: February 25, 2010 Vested Standard Form
Name: Raymundo E. Rivas	Commencement Date: January 31, 2010 Vested Standard Form

Mr. Pramer stated that the member's total contribution was missing on the form and asked if it was possible to obtain the total contributions to the cost of the plan. Mr. Schlosser responded that it was possible, but could be rather difficult to capture the data, and it really has no bearing on the pension.

Mr. Pramer responded that he realized that but was curious as to the level of contribution. Mr. Hamilton stated that it would be irrelevant and would have no relation to the determination of the pension as that was based on contractual terms of the pension participation.

**** MR. PIRO MOVED TO APPROVE THE PENSION APPLICATIONS FOR JAMES V. MINOR, COMMENCEMENT DATE: DECEMBER 6, 2009; WANDA SANTIAGO, COMMENCEMENT DATE: FEBRUARY 25, 2010; RAYMUNDO E. RIVAS, COMMENCEMENT DATE: JANUARY 31, 2010 AS SUBMITTED.**
**** MR. NASH SECONDED.**
**** MOTION PASSED UNANIMOUSLY.**

Mr. Sweeney requested to deviate from the agenda to move the review of February performance to the end of the agenda, in consideration of the guests from Blackstone that were scheduled to present.

<u>Performance Review Presentation: Blackstone</u>

Ms. Kunkemueller introduced Mr. Alberto Santulin and Mr. Brian Schwartz with Blackstone Alternative Asset Management (BAAM) who stated they would be presenting their 2009 Review and a new commodities strategy, "Resources Select".

Mr. Schwartz provided a background of the firm and highlighted that the firm was founded in 1985, went public in 2007 on the NYSE under symbol "BX" and now has over 1,200 employees with offices in New York, Los Angeles, and eight major U.S. cities along with eight international locations around the world. He added that Blackstone's 60 portfolio companies and pending transactions translate into the 14th largest company by revenue amount the Fortune 500.

As an overview of 2009, Mr. Santulin referred to pages 11-12 of the presentation and stated that managers with the highest gross exposure did the best. Mr. Sweeney asked how this correlation applied to 2008-2009, and Mr. Santulin responded that it was the opposite, that those with the highest gross exposure did the worst. He referred to the graph on page 17 that listed the average monthly returns for months when the S&P 500 Index was down, compared to the cumulative returns for Park NT (the fund in which the City of Norwalk Pension is invested) vs. S&P 500 for periods ending 12/31/09.

Mr. Schwartz stated that Resources Select is a new program that was developed for the state of Pennsylvania and is a long-biased commodity fund that has significantly outperformed the traditional commodity indices since inception. He referred to page 9 of the presentation that outlined examples of how the BAAM platform is designed to meet client needs, and reviewed the examples of due diligence and monitoring emphasis based upon culture of risk management and compliance, alignment of interests, track record, experienced investment strategic partnership and strong risk-adjusted performance.

Following in depth reviews and discussion of the charts as presented on pages 18, 19, 22, 23, 27, 32 , and 37, Mr. Santulin summarized that BXCI is a total return index that is tradable, has transaction costs and receives cash and collateral on a paper basis. He stated that the weightings in the BXCI are used to drive capital allocation among the five underlying managers, where managers earn incentive fees on the outperformance of their portion of the BXCI.

Mr. Schwartz referred to the S&P GSCI Performance for 2006-2009 on page 36 of the presentation and stated that the total return index has three components, spot return, roll return and return on collateral. Mr. Nash questioned the performance of the roll yield and requested back-up data and supporting documentation of the monthly returns by manager, along with monthly returns of the BXCI index. Mr. Schwartz replied that he would e-mail the information to Ms. Petrino by the end of the week.

The Blackstone review concluded at 8:15 p.m. and was followed by a discussion of the presentation. Mr. Sweeney stated that Blackstone is a proven leader in the industry and that Resources Select appears to be a very interesting strategy that could come into future evaluation and consideration. Ms. Petrino stated that she agrees, and she looks forward to receiving the additional back-up information as requested by Mr. Nash.

Review of Preliminary February Performance by Evaluation Associates

Ms. Kunkemeuller distributed The City of Norwalk Performance Measurement report dated February 28, 2010. She stated that the total fund is at $313,478,166 and a full review by manger and with the breakdown by equity, fixed income accounts would be provided in greater detail at the next meeting.

Discussion of Commodities - Discussion of Global REITs

Mr. Sweeney stated that the next items on the agenda were Discussion of Commodities and Discussion of Global REITs, which in view of the extensive presentation from Blackstone and the time taken for discussion of the OPEB investment policy guidelines at the preceding meeting, would take longer than the time allotted in the agenda. He suggested that those items be tabled until next month's meeting, which is scheduled for Wednesday, April 14, 2010.

Other Business

Ms. Petrino stated that the Evaluation Associates annual client luncheon titled "Hedging Inflation with Commodities" would be held at the Yale Club in New York on March 25 from 12:00 noon till 2:00 p.m., and indicated that she would send an e-mail with the details to the Board members. She added that Wellington and Schroeder would be there presenting which she very much looks forward to seeing. She suggested that it would be a great opportunity for the Board members to hear from these managers, and looks forward to seeing Board members there.

Mr. Sweeney suggested that a strategy review by Wellington would be valuable and asked if it were possible to add either Wellington or Schroeder to next month's meeting. Mr. Petrino she replied that she would schedule both Wellington and Schroeder to present their commodities strategies at the April meeting.

ADJOURNMENT

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

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

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services