NORWALK MUNICIPAL EMPLOYEES' PENSION BOARD MINUTES

PENSION BOARD OF TRUSTEES
OCTOBER 10TH, 2007

ATTENDANCE: James Murphy, Chair; Charles Pirro; Michael Sweeney; Fancis Nash;

STAFF: Frederic Gilden, Comptroller; H. James Haselkamp, Jr., Director of Personnel; Etta L. Jones, Local 1042 Observer; Michael Meany, Local 2405 Observer

OTHER: Ellen Petrino, Evaluation Associates; Chris Bendlak, Evaluation Associates; Jeff Shaw, Armstrong Shaw Associates (7:00 p.m.)

The meeting was called to order at 6:00 p.m. by Mr. Murphy.

1. APPROVAL OF MINUTES FOR SEPTEMBER 5, 2007 MEETING

The following friendly amendments were made to the minutes of the September 5th meeting:

? On page 4 under the discussion of the disability pension it was added that the item was tabled.
? On the first line of the first full paragraph of page four, "Mr. Louis" was changed to "Mr. Concepcion".

** MR. PIRRO MOVED TO ACCEPT THE MINUTES AS AMENDED.
** MOTION PASSED UNANIMOUSLY

2. APPROVAL OF PENSION APPLICATIONS

Mr. Pirro presented his report of the Personnel Committee, noting that Louis Concepcion's application for a disability pension had been tabled at the previous meeting. He said that it had been a long standing policy of the Board to approve a pension as long as a person had been awarded social security disability benefits and to approve it as of the start of the social security benefits. He went on to say that Mr. Concepcion had become disabled on June 4th, 2004 and his social security payments started on December, 2004 so Personnel Committee recommended that the Board approve the pension as of December 1st 2004. He then noted that the documents attached to the agenda reflected different dates but asked the Board to disregard those.

Mr. Sweeney asked why the attached Notice of Decision was dated May 22nd, 2007.

Mr. Pirro replied that the application had originally been denied and was appealed. He said that the favorable decision following that appeal was as of May 22nd, 2007.

** MR. PIRRO MOVED TO APPROVE THE APPLICATION OF LOUIS CONCEPCION WITH AN EFFECTIVE DATE OF DECEMBER 1ST, 2004.
** MR. NASH SECONDED.
** MOTION PASSED UNANIMOUSLY.

Mr. Murphy reviewed the pension applications of Karen Jackson and Clara Tomasula.

** MR. PIRRO MOVED TO APPROVE THE APPLICATIONS OF KAREN JACKSON AND CLARA TOMASULA.
** MR. NASH SECONDED.
** MOTION PASSED UNANIMOUSLY.

3. DISCUSSION OF MANAGERS AND AGENDAS FOR NEXT MEETINGS

Mr. Sweeney reviewed his report of the Subcommittee meeting held to discuss fund managers, UBP Asset Managers and ABS Investment Management. The report was made available to Board Members. Mr. Sweeney said that the Subcommittee seemed to favor ABS for their due diligence and ability to communicate their plan. He reported that the Subcommittee proposed to fund the ABS global offshore portfolio with $15 million, funded with $10 million taken from Artisan Partners and $5 million taken from Silchester, leaving approximately $31 million in each of those accounts and $15 million in a hedged global portfolio.

Mr. Murphy said that ABS's proprietary software system was superior to any other he'd seen.

Mr. Nash asked if this would be a two year lock up.

Ms. Petrino said that it would in the sense that there would be a 5% early redemption charge if money was withdrawn within the first two years.

** MR. SWEENEY MOVED TO INVEST $15 MILLION IN THE ABS GLOBAL OFFSHORE PORTFOLIO, FUNDING THAT WITH $10 MILLION TAKEN FROM THE ARTISAN ACCOUNT AND $5 MILLION FROM THE SILCHESTER ACCOUNT.
** MR. NASH SECONDED.
** MOTION PASSED UNANIMOUSLY.

4. ARTISAN INTERNATIONAL (TELEPHONE CALL IN)

Leanne Contreras reviewed her presentation to the Board via telephone. A bound copy of the presentation was presented to each Board Member.

Mr. Murphy asked why Artisan was investing so much in France.

Ms. Contreras explained that there were a lot of investment opportunities in France, giving examples of the high-end and discount consumer market and of utility and other infrastructure opportunities.

Mr. Nash asked if Artisan would continue to downsize their Japanese positions.

Ms. Contreras said that there was no real plan to do that and any buying or selling in Japan would be done on a stock by stock basis.

5. ARMSTRONG SHAW

Mr. Shaw arrived at 7:00 p.m.

Ms. Petrino said that Mr. Shaw had been asked to meet with the Board sooner than usual because there was concern with regard to Armstrong Shaw's performance.

Mr. Shaw reviewed his presentation, a bound copy of which was given to each Board Member.

Mr. Murphy asked if it would be better to invest more directly internationally.

Mr. Shaw answered that while there were many international investment opportunities, all the best technology companies in the world were in the United States.

Mr. Sweeney asked if this was Armstrong Shaw's only portfolio.

Mr. Shaw answered that it was.

Mr. Nash asked why the Board should keep their money with Armstrong Shaw.

Mr. Shaw answered that since 1984, Armstrong Shaw had managed to beat all the benchmarks set for them and while they'd recently underperformed for several different reasons, he was confident that they would be doing well again soon.

Mr. Murphy asked how Armstrong Shaw would fare if the market dropped 10-15%.

Mr. Shaw said that they would do well because of the high quality nature of their portfolio.

Mr. Nash asked how long Armstrong Shaw held Pfizer and Boston Scientific.

Mr. Shaw answered that they'd held Boston Scientific for about 18 months and Pfizer for approximately three years.

Mr. Shaw left the meeting at 7:40 p.m.

Mr. Sweeney noted that according to what he'd read on the topic it was not unusual for a manager to underperform for a period of time as Armstrong Shaw had.

Mr. Murphy said that Armstrong Shaw's company list was international as the Board wanted and suggested that they come before the Board again in April.

6. DISCUSSION OF MANAGERS AND AGENDAS FOR NEXT MEETINGS (continued)

Ms. Petrino said that the Board would probably discuss fixed income in the November meeting.

Mr. Murphy noted that it would be helpful to know the strategy for the Fed's rate reduction.

Mr. Sweeney suggested that there also be some discussion of real estate opportunities.

Mr. Nash noted that he wanted to discuss Pimco's performance.

Mr. Murphy said that representatives of Pimco and Capstone should come before the Board and suggested also that a Subcommittee meeting be held in January.

Ms. Petrino agreed that Capstone should be asked to come before the Board for their November meeting.

Mr. Murphy noted that there would not be a December meeting.

7. OTHER BUSINESS:

a) 2008 Calendar

Mr. Murphy asked that the calendar be posted, adding that the Board could change the schedule as needed.

8. ADJOURNMENT

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

The meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Jessica Schroder
Telesco Secretarial Services