NORWALK MUNICIPAL EMPLOYEES' PENSION BOARD MINUTES

FOOD SERVICE PENSION BOARD
JUNE 8, 2005

ATTENDANCE: Kay Tortorella, Charles Pirro

STAFF: Sara LeTorneau, Director of Personnel and Labor Relations

OTHER:

CALL TO ORDER

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

APPROVAL OF FOOD SERVICES PENSION APPLICATION

Pauline Fusco, 43 years of service, age 88, normal option selected, final average salary $11,521.60, annual benefit $6,912.96, monthly benefit $576.08, commencement date 7/1/2005.

** MS. TORTORELLA MOVED TO APPROVE PENSION APPLICATION FOR PAULINE FUSCO.
** MR. PIRRO SECONDED.
** MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 6:02 p.m.

Respectfully submitted,

Carolyn Marr
Telesco Secretarial Services

PENSION BOARD
Revised 11/27/05
JUNE 8, 2005

ATTENDANCE: Jim Murphy, Chairman (7:02); Charles Pirro, Acting Chairman; Michael Sweeney; Patricia McCormick

STAFF: Sara LeTorneau, Director of Personnel and Labor Relations;
Fred Gilden, Comptroller

OTHER: Ellen Petrino, EAI

CALL TO ORDER

Chairman Pirro called the meeting to order at 6:12 p.m.

PANTHEON VENTURES – Gary Hiatt, Partner and Hallie Kim,Vice President

Mr. Gary Hiatt, Partner, and Ms. Hallie Kim, Vice President, presented their overview. Mr. Hiatt explained that Pantheon Ventures is a global firm and has four offices.

The USA IV fund, in which the Pension Board has a $15M commitment, has a positive internal rate of return of 6.6%, and they are beginning to get some distributions back.

The net asset value December 31 was $7.2M for the $15M commitment. As of June 6, 49% had been drawn down. The drawn down capital has been increased to $7.35M and $830 in distributions have been received since June 6.

Mr. Hiatt explained that on page 12, there is a chart showing Proven, Promising, Premature, and Pressured. He said that pressured meant there are groups that have a tough time investing money, or a number of the investments made were in retrospect at valuations that were too high.
He said that Pantheon is a fund of funds manager, and they invest in limited partnerships. They invest in 600 funds and there are portfolios of 30 companies. Last year, Pantheon interviewed 280 companies and made 20 primary fund investments. They invest more in venture funds than in buyout funds. Hedge funds are not part of venture capital.

Ms. Kim said that the USA 6 fund was started in 2004 and saw its first return last year. It had been drawn down. There is $1.35M as of December 31, 2004. The NAV is $1.4M. The funds are in the premature classification, and they are gold standard, top tier brand name fund managers. There are no changes since the Russell acquisition.

SILCHESTER INTERNATIONAL INVESTORS– Chris Cowie and Ron Dorneau

Mr. Chris Cowie, Managing Director and Mr. Ron Dorneau, Vice President, presented their information. Mr. Cowie said that Silchester is a 10 ½ year old, independent firm controlled by principals. It was formed by a team that had left Morgan Stanley. The majority of their clients are in the United States, but 4% of their assets are offshore accounts. Their investment philosophy is based on value. They manage 80-100 companies. They are a specialist international equity firm controlled by the principals. At the end of March 2005, they had under $15B under management. The board has money invested in the Erisa Group Trust fund.

Mr. Dorneau said that their objective is to maximize the earnings, the assets, and the dividend of the portfolio over an extended period of time. They keep 80-100 stocks in the portfolio. The top 10 securities make up 28% of the portfolio. The top 50 securities make up just over 80%. There are brand names in the portfolio.

EAI – Ellen Petrino

Ms. Petrino reported on the April performance. She said that as of June 7, the new funds went to the new managers, Bear Stearns and Armstrong Shaw. Northern Trust was hired to be the liquidation manager. The securities were transferred. The portfolio now has Pimco All Asset and Pimco Commodity Real Return under alternatives. There will be a category called real assets with a subtotal, and a subtotal of fixed income and real assets added to the performance report. They were underweighted in fixed income. The performance has improved since April. On the last page, it reads that the fund was down 1.7%. No problems were reported with the new manager transition. The Boston Company was sad and apologetic about the board's decision to leave them.

DISCUSSION OF INFORMATION FOR EMPLOYEE PARTICIPANTS ON RETIREMENT PLANNING

Chairman Murphy said that he received some feedback from John Smith regarding the retirement seminars, and Mr. Smith said he wasn't interested. Chairman Murphy said that he felt that the seminars were good for people who are contemplating retirement. The seminar would provide them with planning options during the 3-5 years prior to their actual retirement date.

Ms. LeTourneau said that Shipman and Goodwin is working on the SPD, which is the summary of the plan. Once the SPD is complete, then the admin manual can be underway. Every Board member should review it. Then a meeting will be held for the Board to review it. Ms. McCormick said she felt that the training and education idea will be well received. Mr. Murphy said that a formal process should be developed so that people will have information when they are ready to retire. He wants to have two meetings a year. There is some existing material that should be a part of the SPD. Then a program would be developed online with examples and samples of options. Mr. Pirro says that this will be on the agenda in October. The agreement expires in December 2006.

APPROVAL OF MINUTES FOR MARCH 9, APRIL 13, AND MAY 11, 2005

The corrections to the March 9, 2005 minutes are as follows:

On page 8, in the middle of the page in the motion, the word authorize is spelled incorrectly.
On page 3, at the top, the title should read Wellington Opportunistic Growth
On page 3, in the middle of the page in the motion, the word unanimously is spelled incorrectly.

** CHAIRMAN MURPHY MOVED TO APPROVE THE MINUTES OF MARCH 9, 2005 AS AMENDED.
** MR. SWEENEY SECONDED.
** MOTION PASSED UNANIMOUSLY.

The corrections to the April 13, 2005 minutes are as follows:

** CHAIRMAN MURPHY MOVED TO APPROVE THE MINUTES OF APRIL 13, 2005.
** MS. MCCORMICK SECONDED.
** MOTION PASSED UNANIMOUSLY.

The corrections to the May 11, 2005 minutes are as follows:

On page 2, under Bear Stearns Asset Management, in the second paragraph, Ms. Petrino said that Bear Stearns didn't cover anything about their investment approach. She suggested that the following sentence be added at the end: The investment approach is to find undervalued stock. Currently the portfolio is concentrated in quality mega-cap stocks, which have been out of favor with investors.
On page 3, at the top, the 7th sentence that says "Armstrong Shaw would be 15% because they are local" should be removed.
On page 3, at the top, the 8th sentence should say "The board initially wanted a decision made by the next meeting, but it was decided that they would give $15M to Armstrong Shaw, and they would give $15M to Bear Stearns Asset Management.

** CHAIRMAN MURPHY MOVED TO APPROVE THE MINUTES OF MAY 11, 2005 AS AMENDED.
** MS. MCCORMICK SECONDED.
** MOTION PASSED UNANIMOUSLY.

APPROVAL OF PENSION APPLICATIONS

Mr. Roy Carlson, Board of Ed maintenance, 14 years & 6 months of service, age 62, regular pension, final average salary $44,880.00, normal option, annual benefit $13,020.00, monthly benefit $1,085.00, commencement date 8/1/05.

Ms. Linda Falco, Board of Ed instructional aide, 22 years of service, age 63, regular pension, final average salary $22,762.47, normal option, annual benefit $10,020.00, monthly benefit $835.00, commencement date 9/1/05.

Mr. Roosevelt Peterson, Board of Ed custodian, 22 years & 11 months of service, age 62, regular pension, final average salary $41,229.23, option #2, annual benefit $14,196.00, monthly benefit $1,183.00, commencement date 8/1/05.

Ms. Martha Marshall, Comptrollers Office, 22 years & 1 month of service, age 55, early pension, final average salary $55,270.90, normal option, annual benefit $20,262.00, monthly benefit $1,688.50, commencement date 9/1/05.

Mr. Gregory Bitondo, Public Works Dept, 27 years & 11 months of service, age 55, early pension, final average salary $43,978.50, option #2, annual benefit $19,734.00, monthly benefit $1,644.50, commencement date 7/1/05.

** MR. SWEENEY MOVED TO APPROVE PENSION APPLICATIONS FOR MR. CARLSON, MS. FALCO, MR. PETERSON, MS. MARSHALL, AND MR. BITONDO.
** MR. GILDEN SECONDED.
** MOTION PASSED UNANIMOUSLY.

** MS. MCCORMICK MOVED TO ADJOURN.
** MR. SWEENEY SECONDED.
** MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 8:22 p.m.

Respectfully submitted,

Carolyn Marr
Telesco Secretarial Services