NORWALK MUNICIPAL EMPLOYEES' PENSION BOARD MINUTES

Minutes from Meeting
JANUARY 12, 2005

ATTENDANCE: Jim Murphy, Co-Chair; Fred Gilden; Michael Salvator; Ken Whitman; Rebecca Hoefer (6:08 p.m.)

STAFF: Sara LeTourneau, Director of Personnel & Labor Relations

OTHERS: Ellen Petrino, EAI; Chris LaCroix, Sean McCaffrey, LSV

Mr. Murphy called the meeting to order at 6:00 p.m.

LSV – CHRIS LACROIX/ SEAN MCCAFFREY

Mr. McCaffrey distributed and reviewed the organizational update.

Ms. Hoefer arrived at 6:08 p.m.

Mr. McCaffrey said that the organizational structure is the same, but since their last meeting, they have added some support staff as well as two academic advisors on a consultant basis. He said that they will be looking for another senior quantitative person, and perhaps another trader. One of their goals is to keep the firm under fifty people.

Mr. LaCroix reviewed the relationship summary and said it was a great fourth quarter and the mid cap stocks were the best place to be.

Mr. LaCroix reviewed the investment performance since inception, and noted that 2003 was very good; however, they underperformed in 2004. They are comfortable that in the future they will be able to give 3% long term over the benchmark.

Mr. LaCroix reviewed the portfolio characteristics. He said that they will always be well diversified. He described their investment process.

The Board discussed the different holdings. Mr. Salvator asked if there was a way to identify what went wrong if they have a bad performer. Mr. LaCroix said that they have not found a systematic way to determine that, but they are working on it.

APPROVAL OF MINUTES FOR DECEMBER 8, 2004

** MS. HOEFER MOVED TO ACCEPT THE MINUTES AS PRESENTED
** MR. NELSON SECONDED
** MOTION PASSED UNANIMOUSLY

APPROVAL OF PENSION APPLICATIONS

Mr. Murphy reviewed the two applications.

** MS. HOEFER MOVED TO APPROVE THE PENSION APPLICATION OF MICHAEL MASON, SUBJECT TO THE COMMENCEMENT DATE OF THE BENEFIT, FOR DISABILITY PENSION, NORMAL FORM OPTION, $26,346.00 PER YEAR OR $2,195.50 PER MONTH
** MR. NELSON SECONDED
** MOTION PASSED UNANIMOUSLY

** MS. HOEFER MOVED TO APPROVE THE PENSION APPLICATION OF ENRIQUE FELIX, FOR EARLY RETIREMENT, OPTION #2, $5,388.00 PER YEAR OR $449.00 PER MONTH
** MR. NELSON SECONDED
** MOTION PASSED UNANIMOUSLY

OTHER BUSINESS

Ms. Petrino distributed the asset allocation details and the investment management structure. The market value as of January 10, 2005 was $309,274,663. She said that as of January 10, 2005, they were 3 ½ - 4% under the policy target in fixed income. Ms. Petrino noted that the tsunami did not affect the market.

Mr. Murphy said that he was pleased with the numbers over the last year and asked if there was a compelling reason to make a change. Ms. Petrino said that there was not. She said that this year they need to look for better managers.

Boston Company underperformed for the last two years. They have good new management. LSV and TCW have done very well. Mr. Murphy suggested concentrating on TCW.

Ms. Petrino will circulate search material to the Board and will arrange a meeting for presentations. Boston Company is at the top of the list to make a change. She said that she would like to see someone give a better return.

ADJOURNMENT

The meeting was unanimously adjourned at 7:05 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services