

CITY OF STAMFORD 19TH CHARTER REVISION COMMISSION FINANCE COMMITTEE

Shelley Michelson, Chair

Members

Susan Halpern
Steven Kolenberg
Alex Martinez
Clemon Williams

DRAFT MEETING REPORT

Wednesday, August 24, 2022

7:00 PM

This meeting was conducted remotely

The meeting was called to order at 7:03 PM. In attendance were Commissioners Halpern, Martinez and Michelson who were joined for part of the meeting by Commissioner Williams. Commissioner Kolenberg had indicated that he was unable to attend. Also present as observers were Charter Revision Commissioners Frances Lane and Anthony Pramberger

The Committee wishes to thank Commissioner Williams for arranging for this evening's guests.

The Committee was joined by Alfred Cava, Director of Human Resources who presented an overview of the four separate pension plans: the Classified Employees Retirement Plan (CERF), the Police Pension Fund, the Firefighters Pension Fund and the Custodians' and Mechanics' Pension Plan and the UAW Plan offered by the City as well as the defined contribution plans which were instituted between 2012 and 2013, when the Classified Employees Retirement Fund and the Custodians' and Mechanics' Pension Funds were closed to new employees. The City began offering these new employees a defined benefit option with a vesting period of four years of service. The Charter has not yet incorporated provisions relating to the defined benefit plans and Mr. Cava will work with counsel to help draft provisions that could be incorporated into the Charter or Code of Ordinances, as appropriate.

Scott Boulton, a pension expert from Fiducient Advisors who assisted the City with the development of its defined contribution plans, joined us to present best practices for pension plan administration, which included the quarterly pension plan investment monitoring that the City employs. Mr. Boulton also deemed the vesting period for the defined contribution plans to be consistent with industry best practices. Typically, vesting decision are made by the Director of Human Resources together with the Director of Administrator and another designated person.

When asked for suggestions for improvement in pension administration, two clear ideas were proposed: by Mr. Cava and Mr. Boulton that should be added to the Charter Commission's charge:

1. Combining the CERF and Custodians' and Mechanics' funds into a single fund and combining the Police and Fire Pension Fund into a single fund. The combination, permitted pursuant to Section C7-10-7 of the Charter, would require approval by the unions. In addition to ease of administration with reduced administrative expense, the combined investible assets could earn a higher rate of return for pension beneficiaries and would have a larger array of investment choices.

2. Changing the City's 2 for 1 contribution match under the defined contribution plans to quarterly, monthly or bi-weekly distribution to match best practices, thereby avoiding the possibility of a cutoff of benefits to those whose contracts or employment ended during the year before the annual City match date of July 1 of each year.

The Plans are not ERISA Plans, but follow the ERISA guidelines without the additional rules and regulations attendant to ERISA plans. Annual discount rates affecting the required funding of the Plans are proposed by the City's independent actuary and confirmed or approved by the Pension Plan trustees.

To gain a full understanding of the financial impact of the Pension Plans on the City, the Committee has been urged to read both the Plan documents for each plan and the respective current Collective Bargaining Agreements, which Mr.Cava will direct us to or provide for us.

Review of Charter Charge #s 69-72:

- Mr.Cava did not feel strongly about a review of Charter Charge #69 requiring the mayor to call a meeting of the Chairs of all pension trusts and OPEB quarterly to share best practices. It appears that best practices are reviewed periodically by the Human Resource Department with retention of outside consultants when necessary.
- Charge #70 relates to the frequency of provider review and we were informed that best practices dictate that financial advisors and actuaries should be reviewed every five to seven years and the City adheres to this practice
- Charge #71 asks that the Mayor should have the authority to appoint a trustee for each pension plan. Pursuant to C7-30-3, the Mayor is a Trustee of the CERF Plan. She has made an appointment to the Firefighters Pension Fund. It is not clear if the Mayor has the ability to appoint trustees to the other pension funds.
- Charge #72 asks for a review of the applicability of Section C7-10-8 which creates the Police Pension Fund and the Firefighters' Pension Fund. This request for applicability is not understood.

Commissioner Halpern reported on her August 19, 2022 visit to the WPCA plant. The plant is reportedly running at 2/3 of capacity currently which equates to 18 million gallons of waste processed daily. Certain waste products are not able to be processed at the plant and are trucked out. These products are stored in open back trucks waiting for removal, a fact that causes unpleasant odors to permeate the area. How much capacity remains for the multitude of apartment units approved and/or under construction and those under consideration in both Stamford and Darien (for which WPCA provides processing) is not known. Management indicated that the plant can accommodate up to a 4,000 person increase in population within the plant currently before expansion would be necessary. Several discharge permits have expired and Commissioner Halpern is investigating whether application has been made for replacement permits and what the financial implications may be for WPCA, if any, for allowing these permits to expire. The plant supervisor indicated his dissatisfaction with the current financial arrangements with the Town of Darien.

The State Department of Environmental Protection has scheduled a meeting in Stamford for September 16th to discuss these and other environmental concerns.

A motion to approve the minutes from the meeting of August 17th was made by Commissioner Martinez and seconded by Commissioner Halpern. The minutes were approved unanimously.

A discussion then ensued regarding the Board of Education budget and the fact that the Mayor had no input. Commissioner Martinez suggested that the Charter Revision Commission explore the possibility with retained counsel of allowing the Mayor to be a voting member of the Board of Education.

The Committee decided to invite Sandy Dennies to address us at our next meeting; on September 7th; if she is unavailable, we would then invite the Co-Chairs of the Fiscal Committee of the Board of Representatives, Monica DiCostanzo and Lindsey Miller.

A motion to adjourn the meeting was made by Commissioner Martinez and seconded by Commissioner Halpern. After unanimous approval, the meeting was adjourned at 8:28 PM.

Respectfully submitted,
Commissioner Michelson

This meeting is available on [video](#).