



STAMFORD FIREFIGHTERS PENSION FUND

City of Stamford, CT

Chairman Michael Golden
James R. Fountain
Richard Freedman
Gerald J. Kutz
Matthew T. Palmer

Meeting purpose: Regular Meeting

April 6, 2020 1200

A Regular meeting of the Stamford Firefighters Pension Fund was held at 1200 on Monday April 6th via Zoom video conference due to the Covid 19 Pandemic.

Present at the meeting were: Chairman Michael Golden, Trustee Richard Freedman, Trustee James Fountain, Trustee Deputy Chief Matthew Palmer and Trustee Gerald Kutz. Absent: None. Guests included: Union alternate Michael Gallas, Fund Advisor John Oliver Beirne of Beirne Wealth Consulting, Fund Advisor Associate Taylor Garguilo of Beirne Wealth Consulting, Rebecca Sielman of Milliman, Yelena Pelletier of Milliman, David Davis Union President, Ralph Falloon Union Vice President, Kathryn Emmett Stamford Director of Legal Affairs, Michael Passero Union Attorney Michael Gostomski Union Accountant, Alfred Cava City Director of Human Resources, Michael Gold.

The meeting was called to order at 1205 by Chairman Golden.

Chairman Golden introduced himself and asked everyone on the teleconference to introduce themselves and their role as it relates to the Stamford Firefighters Pension Fund.

Public Comment

None

Investment Update

Beirne Wealth Consulting

Fund Advisor Beirne gave an update of the current status of the pension assets. After the tremendous market volatility of the last 30 days, the pension fund assets stand at approximately \$133.5 million with a piece of unpriced direct investments, that should improve the number.

Beirne presented that the fund, prior to this worldwide disaster, was positioned for what they felt were overpriced equities and did fairly well as the market turned down as a result of the world pandemic. The firm raised cash three times, once in early March, once in mid-March and once again in late-March. They also chose to reduce exposure to emerging markets and small cap stocks. They have seen violent selling pressure across the markets and during the small rallies that have happened. They believe that no recovery can be sustained without the small and midcap stocks.

Beirne believes that the governments across the globe have done as much as possible to help the markets and now it is all about the medical side. Once the virus is under control there should be plenty of liquidity and stimulus to get the markets going again.

The plan is to wait until solid data comes in, that the markets have stabilized before we redeploy capital. They need to see improvement on small and mid-cap stocks. Beirne does not believe we will have a “V” shape recovery. More likely will be a “U” shape or possibly a “W” shape while the market retests the bottoms.

Trustee Freedman had technical difficulties with connecting to the meeting and joined the meeting at 1221.

Fund advisor Garguilo asked the board members about their personal investments with Fidelity, the fund repository. If a board member has personal investments with Fidelity, then their social security number will trigger fund assets to show up on the account view with their personal assets. Thus, a separate number must be used to view the fund assets. Garguilo wanted to make sure that we have all the board members online with Fidelity to view fund assets.

Fund Investment Policy

Trustee Kutz reviewed the progress made since last meeting on the Investment Policy. A copy of the Ernst and Young document was used as a model, as the Trustee’s agreed that they liked the document. Trustee Kutz working with Chairman Golden has updated the document to be representative of the Firefighters Pension. Then, he added the information from the Beirne document that was needed to bring it up to date. He will distribute the document this week and asked that the Trustee’s all review it and get back with updates. He will then redistribute it mid-month for final review and then ratification at the May meeting.

Amendment to the Pension Trust Agreement

Chairman Golden reviewed the proposed change to the Pension Trust Agreement. He introduced the proposal and its intent. Chairman Golden then introduced Kathryn Emmett, Director of Legal Affairs for the City of Stamford to present the change.

Emmett read her recent letter sent to the Chairman, and then mentioned an informal agreement with the police department to allow their Chief and the Assistant Chief to retire and collect both their pension and their salary at the same time. The city has asked for several legal opinions and a review from the actuary. The city understands and is ready to cover the additional costs that this represents.

Emmett asked Alfred Cava to comment on any additional issues that she may have missed. Cava had no comment, stating that Emmett covered it very well.

Rebecca Sielman of Milliman stated that they have reviewed the change and have provided the city with cost estimates for the change.

Emmett stated to Chairman Golden that there was some “offline” discussion about the legality of the meeting. Michael Passero stated that we were not following the recent order put out by the governor of Connecticut regarding public meetings. Emmett stated that in the meeting announcement, it was stated that it would be held at Stamford Fire Headquarters. The public could go there and see the meeting. Trustee Palmer stated that the firehouses have been closed to the public to reduce exposure to the Covid 19 virus, but that no one had attempted to attend the meeting. Chairman Golden asked Emmett if we should cancel the meeting and reschedule? Emmett stated that she did not see any reason to do that and Passero agreed.

The discussion continued on the proposed change to the Pension Trust Agreement

Michael Gostomski asked two questions about the proposed change. One question regarding the requirement for retirees to be 48 years of age and the second regarding medical coverage prior to the age of 55.

Emmett replied that the 48 years of age was covered by the IRS code and included in the opinions that the city received from external council.

Regarding the requirement to be 55 years of age to receive medical benefits, Emmet responded that the person(s) would still be City of Stamford employees and thus covered by medical benefits.

Gostomski also asked if the future chiefs would retire at the rate of pay for a chief, or that of the previous position that they held. Emmett responded that they would be promoted to the rank of chief and then retire, so the pension would be based on the chiefs rate of pay.

Trustee Kutz commented regarding the proposed change. Recently, the union filed a grievance regarding the use of the pension fund for chiefs’ pensions. The city used the term “supernumerary employee” to get around the fact that only bargaining members were eligible for pensions from the Stamford Firefighters Pension Fund. He asked Emmett if she had contacted the union regarding this change? He stated that since the pension was managed by both the city and the union, and the city was asking to use the pension to fund benefits for non-bargaining employees, that they should approach the union with their proposal. Once an agreement is reached, both parties should come back to the pension board to have the trust document amended to coincide with the agreement. He also stated that he found it unusual that the city had acquired opinions from at least three different professional organizations, but did not present any of that information to the chairman or the board.

Chairman Golden stated that this sounded like a labor issue and that the city should work it out with the union. He stated he did not believe that this was the forum to negotiate labor issues, and asked the city and union to come back once an agreement had been reached.

Trustee Freedman announced that he needed to leave the meeting due to preparations required for this evening’s Board of Finance meeting. To facilitate the departure, Trustee Kutz suggested that we take up the business of the retirements of the Chief and Assistant Chief.

Resolutions for Pension

Resolution for an Assistant Chief

Trustee Palmer presented the retirement package of an Assistant Chief. Trustee Palmer placed the financials of the retirement on the video screen for everyone to see. Rebecca Sielman stated that the numbers were reviewed and signed off by the actuary (Milliman).

A **MOTION** was made by Trustee Kutz and seconded by Trustee Freedman at 1308 to execute the Regular Retirement Resolution of an Assistant Chief effective May 1, 2020. Motion **PASSED** unanimously.

Resolution for a Chief

Trustee Palmer presented the retirement package of a Chief. Trustee Palmer placed the financials of the retirement on the video screen for everyone to see. Rebecca Sielman stated that the numbers were reviewed and signed off by the actuary (Milliman).

Union Alternate Gallas commented on the proper differential figure to be used. Trustee Kutz pointed out that although the incorrect differential category was highlighted, the correct number was used in the spreadsheet. He also pointed out to the City Council that differentials were set up for hourly employees working nights and weekends, and that the Chief was a salaried employee. There is no provisions for Chief in the differential calculation and thus we need to use that of Deputy Chief. He stated: "yet another reason that the chiefs' pensions were never intended to be part of this pension fund."

A **MOTION** was made by Trustee Kutz and seconded by Trustee Freedman at 1310 to execute the Regular Retirement Resolution of a Chief effective May 1, 2020. Motion **PASSED** unanimously.

Mailing Address

Trustee Fountain asked all trustees to email their home addresses to him so he could mail some documents he receive regarding the pension.

Trustee Freedman left the meeting at 1315.

Pension Statements – Online system reporting

Chairman Golden asked about Pension Statements. Since Alfred Cava was on the video conference he presented the options available through Milliman.

Rebecca Sielman stated that they can tailor a system to our needs which will provide a web site that would give various information to both Employees and Retirees. The following are a sample of some of the available services:

EMPLOYEES

- Calculate Pension
- Get Pension Statements
- What-if scenarios for calculating potential pension benefits

RETIREES

- Change of beneficiary
- Change of address
- Change of direct deposit information

Sielman noted that Milliman can provide a demo of the available systems and requested that we schedule some time at a future board meeting for a 90 minute presentation and requirements session.

Trustee Kutz asked who would pay for this service. Alfred Cava responded that it would be funded by the pension fund. Sielman noted that as part of the city's contribution, there is a line item for administrative expenses. Chairman Golden asked Mr. Cava about the city's assessment of the appropriateness of Milliman providing both actuarial services as well as administrative services. It was suggested that this is not viewed as a conflict.

Kutz stated that he was against continually adding more and more expenses to the pension fund that would translate to the city's actuarial contribution. This service was being provided by the city and is the responsibility of the employer not the fund.

Chairman Golden will work with Sielman regarding a possible presentation in the future.

Proposal and Statement of Work for an Experience Study

Trustee Kutz raised the issue that he had not been able to meet with the chiefs prior to the pandemic crisis. He feels that we should put the experience study and the asset/liability study on hold until we are able to get accurate data.

Kutz also expressed a concern with some of the demographic numbers in the executive summary of the last actuarial evaluation and wanted time to work with the administration and Milliman to get these resolved before proceeding further.

Ms. Sielman stated that it would be much better to have the experience study prior to the next evaluation in June of 2020. Kutz stated that we need to make sure we get the numbers correct.

Chairman Golden agreed and we will delay the study until we get past this pandemic.

Comptroller Role

Chairman Golden reported that the he interviewed the candidate being looked at and was very impressed. He asked for her patience as we work through the pandemic and asked that we table this until we can get to a point where we can meet face to face again.

Pension Adjustment for Retirees

Chairman Golden had been contacted by the union and the union accountant regarding the language in the Pension Trust Agreement allowing for a pension adjustment depending on market performance of the fund. Chairman Golden stated that he had spent many hours trying to investigate this issue.

Ms. Sielman stated that the calculation of this is part of the statement of work for the annual Actuarial Evaluation. The police pension has the exact same language in their document as well. However, she needed to go back and get a starting point to see if adjustments were made previously. She warned that there may be an additional charge to do this investigation and get the number straight since 1997 when the language was added to the Pension Trust Agreement. She said she would work with Barbara Murphy to determine if there is a record of any previous adjustments.

Trustee Kutz asked Milliman that once she discussed this with Ms. Murphy, to give Chairman Golden a rough estimate of the charges for completing such work.

Trustee Palmer will contact Ms. Murphy and get the process started. Once kicked-off, Trustee Kutz will take over the work as Trustee Palmer is overwhelmed with his work related to the Fire Department response to the pandemic.

Directors Insurance

Chairman Golden brought up the issue that our Labor Management Trust Fiduciary Liability Insurance Policy had actually been cancelled by the insurer, Chubb, for lack of payment. Past Chairman Berlingo had paid the invoiced when presented to the board, however there was a time delay in getting the invoice to the board. During this time the policy was cancelled and after considerable effort by Chairman Golden, the policy was reinstated.

He expressed that we may want to make some improvements in how this policy is administered and evaluated prior to the next renewal, but that we would cover that at a later time.

Approval of Previous Minutes

Trustee Kutz distributed the minutes of the March 2, 2020 regular board meeting.

A **MOTION** was made by Trustee Palmer and seconded by Trustee Kutz at 1355 to approve the minutes of the March board meeting. Motion **PASSED** all in favor, trustee Freedman absent.

Potential New Trustee

Chairman Golden and Trustee Palmer welcomed and introduced Michael Gold. Michael gave a brief history and background and stated that he was learning rapidly and had lots of questions for Chairman Golden and Trustee Freedman.

Thank you to the Public Safety Employees

Chairman Golden wanted to thank the public safety employees on the call and made it a point to tell each of them how much their efforts are appreciated.

Invoice(s)

The following invoice(s) was/were presented to the board for payment:

None

Correspondence

None

Next Meeting.

The next **Regular** meeting will be scheduled for **Monday May 4th, 2020 at 1200** in the Commissioner's Conference Room at Fire Headquarters or via teleconference. The agenda will be determined as more information is discovered about the pandemic. An announcement will follow with information regarding the meeting. The following items may be on the agenda:

- Investment Policy
- Review of the proposed changes to the pension trust agreement
- Medicare Reimbursement
- Pension Statements
- Comptroller Role
- Beirne Wealth Consulting will bring 3 fund managers for their annual review
- Discussion on Pension Increases due to market performance
- Process and sign-offs to pay pensioners and other invoices

Adjournment

A **MOTION** was made by Chairman Golden and seconded by Trustee Palmer at 1405 to adjourn the meeting. Motion **PASSED** all in favor, trustee Freedman absent.