



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

May 4, 2020 1200

A Regular meeting of the Stamford Firefighters Pension Fund was held at 1200 on Monday May 4th 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: City alternate Michael Gold, 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 and Yelena Pelletier of Milliman.

The meeting was called to order at 1209 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

Resolutions for Pension

None

Approval of Previous Minutes

Trustee Kutz distributed the minutes of the April 6, 2020 regular board meeting. No modifications were made.

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1211 to approve the minutes of the April board meeting. Motion **PASSED** unanimously.

Invoice(s)

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

Mathew Palmer	\$100.50	Lunches for Feb and Mar board meetings
Milliman	\$5612.50	Quarterly Expense
Reid and Riege	\$1858.00	Legal Services
City of Stamford Payroll	\$1531.74	Payroll Services
City of Stamford Payroll	\$2667.85	Payroll Services
City of Stamford Payroll	\$4211.21	Payroll Services

A **MOTION** was made by Trustee Kutz and seconded by Trustee Fountain at 1215 to pay the invoices listed above. Motion **PASSED** unanimously.

After the invoices were read, Chairman Golden asked if we had some provision to pay invoices without waiting for the meeting and voting on the smaller amounts. Trustee Kutz offered to write language for the revised Pension Trust Agreement (PTA) to include payments by the Chairman up to a suggested \$1000.00. The board agreed that we should do this.

Chairman Golden also asked that if we could work with Fidelity to pay invoices electronically, would this be in violation of any articles in the PTA or city policy. The PTA has no provisions for ‘how’ invoices are paid.

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1220 to allow the payment of invoices electronically if the facilities are available to do so. Motion **PASSED** unanimously.

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. The document was distributed after last meeting and the Trustee’s reviewed it. No updates were made. Fund Advisor J.O. Beirne commented that he wanted to make sure the board was satisfied with the document before he finalized it. He needs to add the description in the appendix describing each investment category. Once completed, the document will be distributed to the board for final approval.

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1225 to approve the document pending the updates from Fund Advisor Beirne. Once the updates are received, it will be distributed to the board. If the distributed document is acceptable to all, the document will be considered ratified and Chairman Golden will sign it with Beirne Wealth Management. If anyone objects to any language, the document will be updated and brought to the June Meeting for ratification. Motion **PASSED** unanimously.

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 last month 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.

It was determined, that since the data for the performance calculation prior to 2014 may not be easily obtained, it would be prohibitively expensive to have the actuary go back and forensically reproduce the data. After several discussions, it was decided that no adjustment would have been made to anyone's pensions prior to June 30, 2015. The suggestion was made to zero the account starting July 1, 2015 and have the actuary calculate the adjustments going forward as part of the annual actuarial evaluation.

A **MOTION** was made by Trustee Kutz and seconded by Chairman Golden at 1230 to zero the adjustment account effective July 1, 2015 and have the actuary calculate the adjustments going forward as part of the annual actuarial evaluation. Motion **PASSED** unanimously.

Once the actuary calculates the numbers for 2019, Chairman Golden will respond back to the union accountant with the specific information.

Trustee Fountain had to leave due to commitments within the city at 1235.

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 60 days, the pension fund assets stand at approximately \$137.0 million with a piece of unpriced direct investments.

Beirne presented that the equity funds were primarily in US Equities and that currently the fund has approximately 11.7% in cash, up 1.7% since the previous meeting. Tremendous volatility is expected going forward.

Michael Gold asked if the 11.7% cash position was typical of the industry right now and of Beirne's other clients. Beirne responded that the industry was 6 - 7% and that one of their clients was at 17% due to a specific situation but most were in the 10 – 12% range with the low end being 9 – 10%.

Beirne commented that the market is almost as expensive as it has ever been with values at 23 – 24 times earnings. Trustee Freedman asked what the return overall was for the Fiscal YTD. Beirne responded that he thought it was about negative 5% as of the end of April.

Mike Gold followed up with a question of how much cash might the individual fund managers be holding. Beirne, believes that most of the equity fund managers are fully invested at this time. They decreased cash due to forced rebalancing. He thinks the cash balances at the fund level are very low.

Michael Golden asked about the capital call by Zephyr Peacock India Fund for approximately \$100,000. He wondered if it was a proper time to be buying emerging market companies. Beirne replied that he believed that the fund had been watching several companies that were just too expensive to fit the metrics of the fund. He believes that the fund saw an opportunity to purchase some companies at a 20% discount and called previously committed capital to do so.

Rebecca Sielman asked Beirne when we would have final pricing for the Fiscal Year ending June 30, 2020. Beirne replied that we should have good numbers within a month or so, and Trustee Freedman stated that for the purposes of the Board of Finance, that should be good enough for budgeting.

2020 Actuarial Evaluation

Rebecca Sielman from Milliman presented the 2020 Actuarial Evaluation. Normally they just present the executive summary, however since the format is new and several sections have been added, she wanted to present the entire report to the board. A new section entitled Analysis of Risk was added as well as Appendix C – Summary of the Plan. The summary was to assist people in determining the metrics of the plan without going through the Collective Bargaining Agreements (CBA's) and the PTA.

She reviewed the Executive Summary.

Trustee Freedman needed to leave due to commitments within the city at 1315.

Sielman reviewed the new Analysis of Risk Section by going over the following contributors to risk:

- Liquidity Risk
- Maturity Risk
- Inflation Risk
- Insolvency Risk
- Demographic Risk
- Retirement Risk
- Measures of Fund Maturity

Compliance Issues

Chairman Golden did some research regarding the compliance issues within the city when it comes to board's such as ours. He uncovered several documents produced by the town clerk and distributed them to the board. He asked each board member to review them and strive to keep us in compliance with all the city standards.

National Conference on Public Employee Retirement Systems (NCPERS)

Chairman Golden has been watching quite a few webinars sponsored by the NCPERS organization. He has been very impressed with the content and asked the board members to look into watching some of the content.

Agenda Items

Chairman Golden brought the board up-to-date on the rest of the agenda items. Most items have been put on temporary hold due to the Covid 19 Pandemic. However, we are trying to get through the different items.

Correspondence

Trustee Kutz read a thank you letter to the board from Kevin and Patricia Beirne.

Fund Manager Reviews

Trustee Kutz reviewed the history that we traditionally try to see each of the fund managers once a year. He stated that even with the issues presented by holding the meetings on Zoom, we should try to get some of the managers in for review. Michael Gold agreed and commented that it really is best practice to do so. Fund Advisor Beirne stated that it was his policy to have each manager present once a year and more if they ended up on our watch list or they had an issue. He was planning to have some for this meeting, however with all the agenda items, he held off.

After discussion it was agreed to have Beirne bring 2 fund managers to the June meeting. Also we plan to have our insurance broker come in and present the pension trust management liability policy that is due to renew in September of 2020.

Next Meeting

The next **Regular** meeting will be scheduled for **Monday June 1st, 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
- Pension Trust Agreement
- Medicare Reimbursement

- Pension Statements
- Comptroller Role
- Beirne Wealth Consulting will bring 2 fund managers for their annual review
- Process and sign-offs to pay pensioners and other invoices

Public Safety Employees

Chairman Golden asked Trustee Palmer to give an update of the status of the firefighters and the fire department. Palmer reviewed the current issues but stated that all in all the department was doing quite well. Chairman Golden extended the gratitude of the board to the firefighters for their service to our community.

Adjournment

A **MOTION** was made by Chairman Golden and seconded by Trustee Kutz at 1356 to adjourn the meeting. Motion **PASSED** all in favor, trustees Fountain and Freedman absent.