



# ***STAMFORD FIREFIGHTERS PENSION FUND***

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## **City of Stamford, CT**

**Chairman Robert Berlingo  
James R. Fountain  
Richard Freedman  
Gerald Kutz  
Matthew T. Palmer**

### **Meeting purpose: Regular Meeting**

### **March 13, 2019 1200**

A regular meeting of the Stamford Firefighters Pension Fund was held at 1200 on Wednesday March 13<sup>th</sup> at Stamford Fire Headquarters.

Present at the meeting were: Chairman Robert Berlingo, Trustee James Fountain, Trustee Richard Freedman, Trustee Firefighter Gerald Kutz and Trustee Deputy Chief Matthew Palmer. Absent: None. Guests included: Department Administrator Barbara Murphy, Union President Captain David Davis, Fund Advisors John Oliver Beirne & Robert Bier of Beirne Wealth Consulting.

The meeting was called to order at 1200 by Chairman Berlingo.

### **Public Comment**

None

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1210 to go out of order from the agenda to act on the retirement of a firefighter. Motion **PASSED** unanimously.

### **General / New Business**

#### **Retirement Resolution**

Trustee Kutz presented the retirement package of a Firefighter. Trustee Freedman reviewed the financials. The resolution was signed off by the actuary.

A **MOTION** was made by Chairman Berlingo and seconded by Trustee Kutz at 1215 to execute the Regular Retirement Resolution of a Firefighter. Motion **PASSED** unanimously.

#### **Beirne Wealth Consulting**

Mr. Beirne presented an Asset Allocation Review to the board. He reviewed the purpose for the presentation, the methodology to create an Optimal Portfolio, some of the pitfalls in Asset Allocation and how to implement it correctly.

When Mr. Beirne was finished presenting, Trustee Freedman asked if Beirne [Wealth] would do anything different looking back over the last 10 years. Some discussion ensued regarding specific investments and the differences between active managed fund and index fund performance.

Trustee Freedman expressed some concerns regarding the performance of the Firefighters Pension Trust vs. other funds within the City of Stamford.

Trustee Fountain asked Mr. Beirne to provide us a more detailed look at the Asset Subclasses and the expected returns of each.

Chairman Berlingo asked the Mr. Beirne for an estimate of returns based on the current portfolio structure. Fund Advisor Beirne expect the fund to produce 7.4% to 7.5% overall over the next seven to ten years.

### **Investment of assets in Large Cap Value**

Recently approximately \$11.5 million was liquidated from Omega Partners and needs to be reinvested in the Large Cap Value space. At the last meeting Beirne Wealth Consulting brought in four fund managers to present. Beirne then did an in-depth review of each and presented it to the board as well as a recommendation for investment.

Mr. Beirne presented the strengths and considerations for each of the four funds with vastly different active management investment strategies. He indicated that we have a light exposure to Active Traded funds and feels that we are entering a period of time where active management will be an advantage over index strategies.

Mr. Beirne did a presentation of each fund and then a relative comparison. He then made the following recommendation:

Keep approximately \$4 million in the Russel 1000 Value index, move approximately \$3 million into Eagle Capital Management, move approximately \$2 million into Columbia Dividend Value and move approximately \$2.5 million into Boston Partners.

Trustee Freedman asked Mr. Beirne if we could simulate the same returns with a combination of some sort of index fund strategy. A discussion ensued regarding active management and index strategy fees. Mr. Beirne responded with the reasoning behind his recommendation and stated that his recommendation included \$4 million stay in the index strategy. Mr. Beirne acknowledged that the Eagle Capital and especially the Miller Value fees were high, however pointed out that their performance commands the fees.

Trustee Fountain recommended dropping the investment in Eagle Capital Management by \$1 million and adding \$500 thousand to each of Columbia Dividend Value and Boston Partners funds.

Discussion ensued on the recommendation. After some discussion, Fund Advisor Beirne responded that he skewed the recommendation to the managers with the highest statistical strength.

A **MOTION** was made by Trustee Fountain and seconded by Trustee Palmer at 1415 to move approximately \$2.5 million equally into each of the funds: Columbia Dividend Value, Eagle Capital Management and Boston Partners. Motion **PASSED** unanimously.

A **MOTION** was made by Trustee Fountain and seconded by Trustee Palmer at 1420 to keep approximately \$4 million in the Russel 1000 Value index fund. Motion **PASSED** unanimously.

Fund Advisor Beirne was invited to the April 23, 2019 meeting to review the numbers for the fund's third quarter. He will also do the asset allocation breakdown that Trustee Fountain requested.

A **MOTION** was made by Chairman Berlingo and seconded by Trustee Kutz at 1422 to go out of order of the agenda and discuss the Fiduciary Liability Insurance quotes. Motion **PASSED** unanimously.

### **Fiduciary Liability Insurance**

Trustee Freedman handed out and presented quotes for Fiduciary Liability Insurance for the trustees. Quotes were received from Gallagher Risk Management and Chubb Insurance.

Trustee Kutz pointed out that the Pension Trust Agreement states that the City of Stamford holds the board harmless for the execution of their duties. He asked if the insurance policy is necessary if the City is in effect self-insuring the board of trustees.

Trustee Fountain asked if he and Trustee Kutz could consult the City Legal department and the City Risk manager prior to acting on the quotes for Fiduciary Liability Insurance. The board agreed and will make it happen prior to the next meeting.

Trustee Fountain will also check with the other City pension funds and see how they deal with Fiduciary Liability Insurance.

### **Old Business**

#### **Pension Trust Agreement**

Chairman Berlingo stated that we need to review the revised draft of the Pension Trust Agreement. He turned the presentation over to Trustee Kutz who had some signification findings since the previous meeting.

Trustee Kutz presented the board with a document that was the revised Pension Trust Agreement from 1997 which was also drafted by Reid and Reige. He stated that after several discussions with previous trustees who were on the board in 1997 including Peter Brown and Robert Berlingo, it became clear that the distributed 1997 document was in effect and should be the basis for the revised Pension Trust Agreement. He stated that the copy presented to the board by the attorney should be incorporated as well as a definition of terms and the QDRO model from the actuaries that we have been using.

Chairman Berlingo pointed out that the QDRO model may need some legal updating prior to inclusion.

Trustee Kutz volunteered to be the document editor and recommended the board do the revisions in concept prior to submitting back to the attorney in order to save money on legal fees.

The board agreed and members will review the distributed 1997 Trust Agreement and discuss at the next meeting.

### **Invoices**

Chairman Berlingo presented a \$570.00 invoice from Hooker and Holcomb to review pension resolutions.

A **MOTION** was made by Chairman Berlingo and seconded by Trustee Palmer at 1450 to pay the Hooker and Holcomb invoice. Motion **PASSED** unanimously.

Chairman Berlingo also presented invoices from Reid and Riege and Milliman that he would like to investigate and will bring to the next meeting for payment.

### **Minutes of Previous Meeting**

Trustee Kutz read the minutes from the February 20, 2019 regular board meeting.

A **MOTION** was made by Trustee Fountain and seconded by Chairman Berlingo at 1455 to accept the minutes from the February board meeting. Motion **PASSED** unanimously.

### **Next Meeting**

The next meeting of the pension board was scheduled for **Tuesday April 23, 2019 at 1200** in the Commissioners Conference Room at Fire Headquarters. The agenda will review of the proposed changes to the Pension Trust Agreement. Beirne Wealth Consulting will also be on the agenda.

The following meeting will be scheduled for **Tuesday May 14, 2019 at 1200** in the Commissioners Conference Room at Fire Headquarters. The agenda for this meeting will be determined at the April 23 meeting. Beirne Wealth Consulting will also be on the agenda.

### **Adjournment**

A **MOTION** was made by Trustee Palmer and seconded by Trustee Fountain at 1500 to adjourn the meeting. Motion **PASSED** unanimously.