

CITY OF STAMFORD 19TH CHARTER REVISION COMMISSION FINANCE COMMITTEE

Shelley Michelson, Chair

Members

Susan Halpern

Steven Kolenberg

Alex Martinez

Clemon Williams

MEETING REPORT

Wednesday, May 3, 2023

7:00 P.M.

This meeting was conducted remotely

The meeting was called to order at 7:02 PM. In addition to Finance Committee Commissioners Halpern, Martinez, Williams and Michelson, in attendance were the following individuals:

- Rebecca Sielman, Milliman, the actuary for the City's pension funds
- Michael Not0, Police Pension Fund
- Michael Gold, Fire Pension Fund
- Paul Anderson, Fire Pension Fund
- Jackie Heftman, Custodian Pension Fund
- Al Cava, Stamford HR and Custodian and CERF Pension Funds
- Mary Lou Rinaldi, Board of Finance and CERF Pension Fund
- Richard Freedman, Chair, Board of Finance
- Tom Cassone, Director of Legal Affairs
- Sandy Dennies, Director of Administration

The purpose of the meeting was to review the remaining charges related to pension best practices and to elicit other suggestions for improvements to include in the Charter revision effort.

Charge 69 asks that the Mayor call a meeting of the Chairs of all pension trusts and OPEB on a quarterly basis to share best practices. The consensus was that meetings could be called by the Mayor at any time. Mary Lou Rinaldi mentioned that the individual advisors might be unwilling to share their particular best practices. The Board of Finance calls an annual pension meeting each year in April. The Director of Administration receives an actuarial report on the funding status of each pension fund from Milliman that is used in the City's annual audit report. The Police Pension Fund reviews its investments on a monthly basis and reviews asset allocation frequently. Mr. Noto mentioned that the Board of Finance was urging that more risk be taken in the Police Pension Fund. *Given that meetings could be called at any time, the Committee felt that such a stipulation in the Charter was unnecessary.*

Charge 70 requires a review of how frequently providers are compared. There appeared to be a variety of opinions on how frequently evaluation should take place, ranging from 3-7 years. Becky Sielman interpreted providers to mean investment advisors and advised that RFPs be prepared every 4-5 years.

She mentioned that asset allocation should be changed only occasionally. Sandy Dennies indicated that she is working on an RFP for investment consultants who evaluate the performance of the individual money managers in the funds. *The lack of consensus led the Committee to conclude that it should not take up this Charge.*

Charge 71 asks that the Mayor be given the authority to appoint a trustee for each pension fund. Commissioner Williams provided City documents demonstrating that the Mayor is either a member of each pension fund or has the ability to appoint a member or members to each of the pension funds. *Therefore, the Committee does not need to include any changes relating to this Charge.*

Jackie Heftman proposed adding a representative from the paraprofessionals to the Custodian Pension Trust with an additional management person, but Michael Gold, who has had notable career experience at TIAA-CREF as a public pension fund consultant, mentioned that in his experience, trusts generally do not include minority pensioner groups. Since it was mentioned that 95% of the Trust's assets are being held for custodians, there was no additional endorsement of this idea. Mr. Gold also cautioned against enshrining an abundance of dictates in the Charter since municipal law and the U.S. Department of Labor often have different provisions and the Department of Labor rules usually prevail. *Given Mr. Gold's professional experience and the lack of support of the invited guests to change the makeup of the Custodian Pension Trustees, the Committee did not take up this suggestion. Therefore, via a motion made by Commissioner Williams, seconded by Commissioner Martinez and approved unanimously, this suggestion was not approved.*

Commissioner Williams voiced concern that investment strategy and fees are not being monitored in the City's defined contribution fund. Mr. Cava indicated that fees are reviewed on a quarterly basis. It was mentioned that automatic sign-up for custodians is a policy and that this be instituted in all other areas. Mr. Cava supplied language to be included in the Charter evidencing the existence of the defined contribution fund. Commissioner Williams made the motion to approve the language which was seconded by Commissioner Halpern and approved unanimously. This language was subsequently approved by the full Charter Commission at its meeting on May 6, 2023.

The language was reviewed in Section C7-30-2 c and seems problematic. The issues were raised at the full Commission's meeting on May 6, 2023 and language is being drafted to correct the problem.

City pension-related litigation is usually handled by the City's law department who can engage outside legal counsel if necessary.

Commissioner Williams made a motion to approve the minutes from the Finance Committee meeting of April 17 and April 20 with a correction of the April 20 minutes to record the attendance of Commissioner Pramberger. Commissioner Martinez seconded the motion and the Committee approved both sets of minutes unanimously with the stipulated correction.

There being no other business, Commissioner Williams made a motion to adjourn the meeting, which was seconded by Commissioner Halpern, with unanimous approval, the meeting was adjourned at 8:44 P.M.

Respectfully submitted,
Commissioner Michelson

This meeting is on [video](#)