



# **STAMFORD FIREFIGHTERS PENSION FUND**

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**City of Stamford, CT**

**Chairman Michael Golden  
James R. Fountain  
Michael Gold  
Michael Gallas  
Gerald J. Kutz**

## **Meeting purpose: Regular Meeting**

### **July 6, 2020 1200**

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

Present at the meeting were: Chairman Michael Golden, Trustee James Fountain, Trustee Michael Gold, Trustee Michael Gallas and Trustee Gerald Kutz. Absent: None. Guests included: Union alternates Deputy Chief Matthew Palmer and Firefighter Riis Lane, Union President David Davis, Fund Advisor John Oliver Beirne of Beirne Wealth Consulting, Fund Advisor Associate Taylor Garguilo of Beirne Wealth Consulting, Fund Managers Thomas C Barry and Makul Gulati of Zephyr Peacock India Funds.

The meeting was called to order at 1200 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.

Chairman Golden read a resolution from Mayor Martin removing Richard Freedman as his appointee and appointing Michael Gold to the board. He thanked Richard for his service and welcomed Michael as a voting member of the board.

## **Public Comment**

None

## **Approval of Previous Minutes**

Trustee Kutz distributed the minutes of the June 1, 2020 regular board meeting.

A **MOTION** was made by Trustee Kutz and seconded by Trustee Gallas at 1207 to approve the minutes of the June board meeting. Motion **PASSED** all in favor, trustee's Fountain and Gold abstaining. Trustee Fountain was not present at the meeting and Trustee Gold was not a voting member of the board during the June meeting.

**Invoice(s)**

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

Milliman	\$8712.50	Actuarial Services
Milliman	\$1450.00	Actuarial Consulting Services
City of Stamford	\$1551.87	Payroll Processing

Trustee Kutz questioned the second Milliman invoice and Chairman Golden explained the services that were provided to the board. Trustee Gold asked what the parameters were regarding extra consulting for Milliman. Chairman Golden will get a copy of Milliman’s contract with the board and report back at the August meeting.

Chairman Golden commented that Wells Fargo Bank had approached him and told him that the board could save some money if we switched over to them to do the payroll processing. Trustee Kutz asked to make sure that Wells Fargo Bank provides all the same services that the city currently provides.

Chairman Golden introduced the sheet that explains the monthly pension payroll. He stated that he wants to bring an expert in from the city to explain the sheet and how the numbers are derived. He will be scheduling the education for a future meeting.

A **MOTION** was made by Trustee Fountain and seconded by Trustee Kutz at 1215 to pay the above listed invoice(s). Motion **PASSED** Unanimously.

**Resolutions for Pension**

**Resolution for an Firefighter**

Trustee Kutz presented the retirement package of an Firefighter. Chairman Golden placed the financials of the retirement on the video screen for everyone to see. Kutz commented that the numbers were reviewed and signed off by the actuary (Milliman).

An issues arose regarding some cross outs that the actuary made and was later explained by an email that was included with the packet. A number was changed by the actuary to keep the policies consistent. Those individuals involved in this process will be reminded to initial and properly document changes to the retirement package forms.

A **MOTION** was made by Trustee Fountain and seconded by Trustee Gallas at 1220 to execute the Regular Retirement Resolution of a Firefighter effective June 15, 2020. Motion **PASSED** unanimously.

## **Investment Update**

### **Beirne Wealth Consulting**

Fund Advisor Beirne gave an update of the current status of the pension assets. He presented the snapshot from 6/30/20. He explained that Beirne Wealth Consulting has redeployed some of the cash raised early in the Covid 19 crisis. The cash balance was reduced from approximately 10.7% down to 4.4%.

Trustee Kutz asked a general question regarding the status of the city contribution. Trustee Fountain stated that he believes that the contribution will be delay approximately two months until the city can understand the financial effects of extending property tax deadlines.

Trustee Gold asked Fund Advisor Beirne about the timing of the reports and the procedure for asking questions once the numbers became final. Beirne stated that he should email his questions and is happy to set up a meeting if necessary to clarify any issues.

Chairman Golden presented a report that came from Fidelity and asked if it was of value in determining fund performance. Unfortunately, it took into account the transfers in and out of the management account, so it is not a good indicator of fund performance. It also only represented approximately 70% of the portfolio. However, this discussion did highlight the need for more timely and clear reporting on the performance of the fund's invested assets.

### **Fund Manager Review**

#### **Zephyr Peacock India Funds**

Mr. Tom Barry and Mr. Makul Gullati presented the Zephyr Peacock India Funds. The Stamford Firefighters Pension currently invests in two of the funds. Zephyr Peacock India Fund III and Zephyr Peacock India Growth Fund.

Some general comments regarding the markets and space that Zephyr operates was presented to the board. Gullati presented that in India, it is very hard to get funding if you are a small or mid-sized business. Zephyr Peacock fills this need. They have found over the years that many of these companies lack business management experience and need support. Zephyr Peacock provides a team that works with and helps to develop the companies they invest in. They typically stay within 3 sectors of the market: Financial Services, Food and Agriculture, and Ancillary Infrastructure. India, like China has a high growth GDP economy. These three sectors have a faster GDP growth and are not serviced well by the bigger investors. Years ago, most people did not have a issued personal identity record, thus they could not borrow money. With the advent of cellular telephones, everyone now has an electronic identity and is able to borrow finances.

### **Zephyr Peacock India Fund III**

Gullati presented that the fund is winding down and made seven investments. Two have been divested and Zephyr has returned 48% of invested capital back to the investors. Of the five remaining investments, one is not performing as expected, but the others are performing quite well. They expect one more divestment this year and the rest in early to mid 2021. As with the rest of the world, Covid 19 has had a profound effect on the India economy, however most essential services are back on track.

Chairman Golden asked about the school loan industry in India during the Covid crisis. Zephyr has been holding back on certain loans.

Gullati presented a case study on Varthana, one of the divested investments. The company provides loans to private education facilities. Within two years Zephyr was able to divest for 2.5x the original investment.

Chairman Golden asked about the IRR of the investments, and Gullati committed to provide the actual numbers to the board.

### **Zephyr Peacock India Growth Fund**

Gullati presented the new fund which is in the investment period. They plan to make a capital call soon to invest in another company. He presented a case study of Loanzen. Loanzen provides loans to truck drivers and small fleet operators to purchase used commercial vehicles. The operators of CVs deploy the vehicles to transport goods such as electronics, agricultural products and furniture. The borrowers generate average monthly revenues of US \$700 per vehicle.

Chairman Golden asked about the makeup of Zephyr's investors. Barry responded that it is about 50% Family Trusts and 50% institutional investors like the Firefighters Fund.

Fund Advisor Beirne reviewed why we initially invested in Zephyr Peacock and the history of the reinvestment into the current Growth Fund.

Trustee Gold asked Beirne if Beirne Wealth was a stake holder in Zephyr Peacock and Beirne explained that they receive no compensation from any of the fund managers. They are a consultant that is completely on the side of the investor.

### **Pension Investment Policy and Guidelines**

Chairman Golden introduced the topic and ask Trustee Kutz and Trustee Gold to present the work they had done on the document.

Trustee Kutz went through the document one section and one page at a time asking for comments or changes. A few changes were discuss and various trustee's took todo's to be completed offline.

Beirne will take a pass at providing a sub allocation guide to be consistent with how they report the numbers. Trustee Kutz will put together all the changes and present at the next meeting.

### Pension Trust Agreement

Chairman Golden presented a letter from Reid and Riege, the board's attorney, discussing issues with the recently retired fire chief and assistant fire chief still working in the same position while receiving their pension. The Attorney was asked to provide an opinion regarding the appropriateness of this action, since the city withdrew its request to make a change to the Pension Trust Agreement allowing the action.

Chairman Golden asked for comments on the letter. Trustee Kutz commented that the letter is pretty crisp in its determination and that action by the board is necessary. He stated that action may be necessary on more than just the Chief and Assistant Chief.

Unfortunately, Chairman Golden had a prior commitment and the meeting needed to be adjourned at 1500.

A continuation of this meeting will be scheduled during the week of July 13-17, 2020.

### Correspondence

None

### Next Meeting

The next **Regular** meeting will be scheduled for **Monday August 3<sup>rd</sup>, 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
- Pension Statements
- Comptroller Role
- Beirne Wealth Consulting will bring 2 fund managers for their annual review

### Adjournment

Chairman Golden apologized for having to end the meeting at 1500. He stated that he will be in touch with the board about a possible continuation to discuss the Reid and Riege letter. He plans to hold a special meeting the week of July 13<sup>th</sup> to complete the discussion.

A **MOTION** was made by Chairman Golden and seconded by Trustee Kutz at 1500 to adjourn the meeting. Motion **PASSED** Unanimously.