



STAMFORD FIREFIGHTERS PENSION FUND

City of Stamford, CT

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

Meeting purpose: Special Meeting

October 22, 2019 1200

A Special meeting of the Stamford Firefighters Pension Fund was held at 1200 on Tuesday October 22nd at Stamford Fire Headquarters.

Present at the meeting were: Chairman Robert Berlingo, Trustee Richard Freedman, Trustee James Fountain, Trustee Deputy Chief Matthew Palmer and Trustee Gerald Kutz. Absent: None. Guests included: Fund Advisor John Oliver Beirne and Fund Advisor Associate Robert Bier of Beirne Wealth Consulting, Union alternate Firefighter Michael Gallas.

The meeting was called to order at 1210 by Chairman Berlingo.

Public Comment

None.

A **MOTION** was made by Chairman Berlingo and seconded by Trustee Kutz at 1210 to go out of order to accommodate scheduling needs of the Milliman representatives. Motion **PASSED** unanimously.

Old Business

Milliman

Rebecca Sielman and Yelena Pelletier of Milliman presented three items to the board:

1. They reviewed the fee structure for Actuarial work as well as the included tasks. They also presented the hourly rate for tasks not included in the original statement of work.
2. They presented the Actuarial Report: "The Firefighters' Pension Trust Fund of the City of Stamford, Actuarial Valuation as of July 1, 2018, To Determine Funding For Fiscal Year 2019-20"

Chairman Berlingo asked if Milliman will review the audit report that will be submitted to the city prior to it going final, to make sure it is correct. Milliman agreed to review the report.

Ms. Sielman reviewed the Executive Summary of the report and some of the important items within.

Trustee Freedman asked about returns and how they are calculated. Milliman uses a standard way of reviewing the returns and is in contact directly with Bierne Wealth Consulting our fund advisor.

A discussion ensued about the high average age of the Fire Department as a whole.

Ms. Sielman stated that in the next report, she felt that we should use a new Mortality Table that has been published specifically for Public Safety Workers. The good news, is that the new table does not differ appreciably from the table currently in use.

At the request of Trustee Fountain, Ms. Sielman reviewed the proposal to change from “Projected Unit Credit” to “Entry Age Normal” for calculating the actuarial projected cost of each individual to the fund. This change is projected to increase the costs of the Firefighters population, however will make the fund cost more consistent with the GASB reports that the city is required to produce.

Ms. Sielman reviewed a proposed change to the timing assumption. She stated that each actuarial report is produced effective July 1 of a given year. For budget purposes, the City makes any required contributions to the fund July 31 of the following year. She stated that the contribution should accrue 13 months of interest at the funds rate to make up the timing difference. Currently, the interest is calculated using 12 months and at the funds inflation rate.

3. Ms. Sielman presented the proposed experience study and what would be necessary to complete the task.

Chairman Berlingo asked for Milliman to produce a formal proposal and statement of work for the experience study of the Firefighters Pension Fund.

Ms. Sielman recommended that the experience study be performed in January or February of 2020. Trustee Kutz stated that the last time Milliman presented to the board, they recommended the Fall of 2019. He stated that he did not want to see it put off any longer than Spring of 2020.

Ms Sielman stated to the City Trustee’s that the cost would be significantly lower, with economy of scale, if they could get the other funds to perform an experience study at the same time. Trustee Fountain stated that he will ask the other boards if they would be willing to join the Firefighters Pension Fund in performing an experience study.

Invoices

The following invoices were presented to the board for payment:

Barbara Murphy	\$56.20	For FedEx charge reimbursement
City of Stamford	\$117.30	For April 2019 Postal Expenses
City of Stamford	\$115.65	For May 2019 Postal Expenses
City of Stamford	\$117.15	For June 2019 Postal Expenses
City of Stamford	\$108.31	For July 2018 Postal Expenses
City of Stamford	\$107.63	For August 2018 Postal Expenses
City of Stamford	\$109.25	For September 2018 Postal Expenses

City of Stamford	\$107.84	For November 2018 Postal Expenses
City of Stamford	\$107.84	For December 2018 Postal Expenses
City of Stamford	\$235.15	For January 2019 Postal Expenses
City of Stamford	\$115.15	For February 2019 Postal Expenses

A **MOTION** was made by Trustee Freedman and seconded by Trustee Fountain at 1345 to pay each of the above listed invoices. Motion **PASSED** unanimously.

Bierne Wealth Consulting

Mr. John Oliver Bierne presented the preliminary Q3 results to the board and stated that more should be final by the next meeting.

Mr. Bierne stated that he would like to review and update the Investment Policy and the Asset Allocations at the November meeting. The board discussed and agreed to add this to the November agenda.

Mr. Bierne introduced Mr. Orlando Mendoza, Mr. John Trbovich and Mr. Jason Rottenberg of Arsenal Growth. Arsenal Growth is a Growth Equity firm focused on the intersection of government and emerging technology companies.

Arsenal provides capital to help established companies grow. They usually sit on the board and introduce them to intellectual capital and contacts within large corporate customers and the federal government.

They are recommending investment in to their “Arsenal Fund III” which does new investments for up to 5 years and can do capital calls from us for up to 10 years. They recommended to plan for 80% of the capital commitment to be called and the last 20% would hopefully be drawn from distributions from the fund. They expect our capital to be returned in years 4-7.

Bierne Wealth is recommending a 3% commitment to Arsenal or approximately \$4 million, to be funded initially out of free cash and ultimately out of other direct investment proceeds.

The board discussed and liked Arsenal. They want to make the recommended changes to the investment Policy first at the next meeting and then revisit the decision to invest in Arsenal. Mr. Bierne indicated that we would need to commit funds by December 1 of this year.

New Business

None

Meeting Schedule for 2020

Trustee Kutz explained that at the last meeting the board approved a schedule of the Second Tuesday of the month for the 2020 board meetings. Unfortunately, that is the day of the chief's staff meeting and may interfere with the availability of the conference room. Thus, we should change to the **First Tuesday of the month for regular meetings in 2020**. The board agreed to the change.

Approval of Previous Minutes

Trustee Kutz read the minutes from the September 24, 2019 special board meeting.

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1520 to accept the minutes from the September board meeting. Motion **PASSED** unanimously.

Next Meeting.

The following **Special** meeting will be scheduled for **Monday November 18th, 2019 at 1200** in the Chief's Conference Room at Fire Headquarters. The agenda will review of the proposed changes to the Pension Trust Agreement. Review the Investment Policy and the Asset Allocations with Bierne Wealth Consulting.

The following **Special** meeting will be scheduled for **Tuesday December 17th, 2019 at 1200** in the Chief's Conference Room at Fire Headquarters. The agenda will review of the proposed changes to the Pension Trust Agreement. Bierne Wealth Consulting will also be on the agenda.

Adjournment

A **MOTION** was made by Chairman Berlingo and seconded by Trustee Freedman at 1525 to adjourn the meeting. Motion **PASSED** Unanimously.