



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

December 17, 2019 1200

A Special meeting of the Stamford Firefighters Pension Fund was held at 1200 on Tuesday December 17th 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 of Beirne Wealth Consulting, Union alternate Firefighter Michael Gallas and Union President David Davis.

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

Chairman Berlingo asked Trustee Fountain to conduct the meeting, as Chairman Berlingo was having trouble with his voice. Trustee Fountain agreed and conducted the meeting.

Public Comment

None.

Retirement Resolution

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

A **MOTION** was made by Trustee Kutz and seconded by Trustee Freedman at 1220 to execute the Regular Retirement Resolution of a Firefighter. The resolution contains a provision for a Disability Pension pending the completion and acceptance of outstanding work related PPD ratings on outstanding medical claims. Motion **PASSED** unanimously.

Beirne Wealth Consulting

Fund Advisor John Oliver Beirne reviewed the broader markets with the board. He commented that the all sectors were doing well and it looks to be a good year in the markets if the balance of December goes well. He stated that the United States was doing much better than the rest of the world and within the U.S. Large Cap Stock are doing better than Mid or Small Cap. He went on to say that the over 20 years, real estate has been a great investment and has outpaced even stock.

After Beirne's general comments, Chairman Berlingo asked if it was time to take money off the table? Beirne stated that the fund had enough cash and other non-stock assets at this time.

Beirne reviewed the list of assets within the fund. He stated that Zesiger is in the mist of selling 2 of the private placements. Corrum Capital is making a capital call of 3%, for the purchase of additional rail cars early next year.

Longford Capital Litigation Finance

Longford Capital Management, LP is a SEC-registered investment advisor and an established leader with the litigation finance industry. They were one of the first commercial litigation funds in the United states and among the largest in the world. They manage over \$550 million and have supported more than 240 cases since inception.

Beirne is recommending a 2 million dollar investment in Longford Capital Fund III with an expected 8% return per annum compounded annually net of fee's.

Arsenal

Since its founding in 2003 Aresenal has raised institutional equity investment funds of approximately \$5.3 billion. Arsenal has completed more than 150 transactions, including platform portfolio companies and follow-on acquisitions. Aresenal seeks businesses that leverage information and technology to improve efficiency and reduce costs.

Arsenal invests in businesses with strong market positions, differentiated technology and solutions and high strategic potential with teams by sharing its deep market and domain knowledge.

Beirne is recommending a 2 million dollar investment in Arsenal III with an expected return of 2 times indicated by returns from the previous fund.

Asset Allocation

A brief discussion by Beirne and the board about asset allocation and changes that Beirne will be recommending. The Review of Investment Policy will be on the agenda for the January meeting.

Trustee Kutz asked Beirne to work with the Actuary, Milliman and come up with Asset Allocations that the Actuary understands and can place in the correct bucket when doing the Actuarial Assessment of the fund. It is important that the underlying investments be used to categorize the investments and we further define the "Alternatives" category.

Trustee Freedman stated that many of these very complex investment cause the accountants to monitor many transactions and thus have some hidden accounting costs to the fund. For that reason he feels that he cannot support the investment in either of these funds.

Trustee Kutz commented that if the board continues to not accept the recommendations of the fund advisor, it is not fair to hold them responsible for the performance of the fund. He also stated that we

should not blindly follow the advice, however we are paying them a significant amount of money to bring us good investments.

A **MOTION** was made by Trustee Palmer seconded by Trustee Kutz at 1320 to invest \$2 million into the Longford Capital Fund III, LP. Motion **PASSED** Chairman Berlingo, and Trustees Fountain, Kutz and Palmer in favor, Trustee Freedman opposed.

A **MOTION** was made by Trustee Palmer seconded by Chairman Berlingo 1322 to invest \$2 million into the Arsenal III, LP fund. Motion **PASSED** Chairman Berlingo, and Trustees Fountain, Kutz and Palmer in favor, Trustee Freedman opposed.

Review Investment Policy & Asset Allocations

The official review of the Investment Policy and Asset Allocation will be postponed until the January meeting to be held January 6, 2020.

Trustee Kutz raised an issue with face to face meeting with existing fund managers. He would like to see the board return to the previous practice of meeting them on a periodic basis and getting a feeling for how they are doing with the investments.

Fund Advisor Beirne agreed to come with a recommendation as part of the investment policy discussion at the next meeting.

Old Business

Review proposed changes to the Pension Trust Agreement

Trustee Fountain recommended that the board wait for the pending appointment of the new chairman before we proceed with the modifications to the Trust Agreement.

Trustee Kutz indicated that we need to make some progress on this important issue soon. The board agreed and it will be put on subsequent agendas to accomplish once the board has a new chairman.

Jaramillo – Osorio

A letter was read to the board from Attorney Hunsberger of Maurer and Associates PC regarding an ex-spouse of a deceased retired firefighter. In the letter he requests notification and to be placed on the agenda for the next board meeting. He was notified of the date well in advance by Barbara Murphy and also placed on the agenda. No one attended the meeting from Maurer and Associates. The board agreed that our previous response from our attorney still stands and considers the matter closed. If Attorney Hunsberger still wishes to discuss it, he can request to be added to the agenda of a future meeting.

Fire Appointee to the OPEB Board

The Firefighters Pension appoints a representative from our board to serve on the OPEB board for the city. The current appointee is Trustee Fountain and his term is expiring.

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1355 to appoint Trustee Fountain as the Firefighters Pension representative to the OPEB board. Motion **PASSED** unanimously.

New Business

Trustee Kutz raised 2 issues to the board:

1. When changes are made to the Medicare Part B costs for an individual pensioner, what is the procedure to get the change reflected in their pension checks?

Trustee Fountain asked Trustee Kutz to email him the question and he will contact the appropriate person within the city to handle. The result needs to be sent out to the current retirees who are receiving Medicare benefits.

2. The city used to produce "Pension Statements" for the active employees. The last one received by any of the firefighter is around 2014. Why did the practice stop and isn't it the employers responsibility to produce these statements?

Trustee Fountain again asked that Trustee Kutz email him the question and he will forward it to Human Resources and get it resolved.

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1400 for the suspension of the rules for reviewing the candidates for the position of Chairman. Motion **PASSED** unanimously.

Two Candidates were proposed for the Chairman Position:

Mr. Steven Cohen of Stamford, Connecticut

Mr. Michael Golden of Stamford, Connecticut

Prior to the meeting, both candidates were interviewed by everyone on the board included the current chairman. Each board member summarized their thoughts on each candidate. It was clear that both candidates were excellent for the role of chairman. After discussion, it was decided to elect Mr. Michael Golden to the position of Chairman.

Trustee Freedman suggested that he may want to leave the board in the future due to significant time limitations. He stated that Mr. Steven Cohen was willing to take his position on the board. Trustee Kutz suggested that Mr. Cohen become the city's alternate trustee until such time as Trustee Freedman resigns. This will allow for a smooth transition and avoid all the effort to get a new trustee up to speed. Chairman Berlingo also committed to remain as a guest once Mr. Golden takes over to help for a smooth transition as well.

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1420 to elect Mr. Michael Golden to the position of "Impartial Trustee" and Chairman of the Firefighter Pension Board effective February 1, 2020. Motion **PASSED** unanimously. According to the pension trust agreement, the two city and two union representative are the only trustees to vote on the new chairman.

The board discussed all the roles that Chairman Berlingo currently performs. It was determined that the board needs to hire a person to perform the "Comptroller" role for the board. This is in line with the Police Pension Board.

Trustees Palmer and Kutz will investigate candidates to perform this role and return to the board with recommendations.

Invoices

An invoice that was approved at the last meeting from Barbara Murphy for \$56.20 was presented and it was determined that it went unpaid in error. The invoice will be paid as soon as possible.

The following invoices were presented to the board for payment:

City of Stamford	\$4754.88	For July, August and September 2019 Payroll Processing
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A **MOTION** was made by Trustee Palmer and seconded by Trustee Kutz at 1430 to pay each of the above listed invoices. Motion **PASSED** unanimously.

Approval of Previous Minutes

Trustee Kutz read the minutes from the October 22, 2019 special board meeting.

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1435 to accept the minutes from the October board meeting. Motion **PASSED** unanimously.

Next Meeting.

The following **Special** meeting will be scheduled for **Monday January 6th, 2020 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 Bierre Wealth Consulting.

The following **Special** meeting will be scheduled for **Tuesday February 4th, 2020 at 1200** in the Chief's Conference Room at Fire Headquarters. The agenda will review of the proposed changes to the Pension Trust Agreement. Bierre Wealth Consulting will also be on the agenda.

Adjournment

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1440 to adjourn the meeting. Motion **PASSED** Unanimously.