



# **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**

### **February 13, 2019 1200**

A regular meeting of the Stamford Firefighters Pension Fund was held at 1200 on Wednesday February 13, 2019 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, Fund Advisor John Beirne, Fund Advisor John Oliver Beirne and Fund Advisor Associate Robert Bier of Beirne Wealth Consulting. Various Fund Managers visited to introduce their respective funds.

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

### **Public Comment**

None

A **MOTION** was made by Chairman Berlingo and seconded by Trustee Palmer at 1205 to go out of order on the agenda and process the retirements first. Motion **PASSED**, unanimously.

### **Discussion on a Vested Retirement**

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1210 to accept the vested retirement of a firefighter. Motion **PASSED**, unanimously.

### **Discussion on a Regular Retirement**

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1212 to accept the regular retirement of a fire lieutenant. Motion **PASSED**, unanimously.

### **Discussion on a QDRO**

A **MOTION** was made by Trustee Kutz and seconded by Trustee Palmer at 1215 to accept the QDRO of a previously retired fire lieutenant. Motion **PASSED**, unanimously.

### **Fund Advisor Presentation**

Fund Advisor John Oliver Beirne introduced Robert Bier to the Pension Board as a new Associate that will be working on our account. He will become a primary contact and will be doing some of the analysis of our fund.

Robert Bier  
3 Enterprise Dr, Suite 410  
Shelton, CT 06484  
203-951-5914  
RBier@BeirneWealth.com

Beirne also presented an update on the performance of the fund. He answered questions posed by the board.

Beirne then discussed the recent closure of a Large Cap Value fund and the need to find a replacement in the Large Cap Value space. He brought in four fund managers to introduce themselves to the board. These are fund managers who have been vetted by Berne Wealth Consulting and once they have presented, Beirne plans to study the strategies and fee's and come to a future meeting to present their recommendations.

### **Columbia Dividend Value**

At 1220 Adam Shanahan presented the Columbia Dividend Value fund by Columbia Threadneedle Investments. Fund is in 19 different countries and is a dividend value strategy. They believe that stock of companies with growing free cash flow and rising dividends have historically provided solid returns with lower volatility.

They believe their strategy provides a higher upside than the index and protects assets on the downside. They look for dividend yield companies in the top two quartiles.

They seek to outperform the Russell 1000 Index, Russell 1000 Value Index and their peer strategies.

They focus on companies that they believe have the potential to generate strong and sustainable free cash flow from operations. They believe that paying dividends is a sign of capital discipline.

They invest in approximately 80 names with a turnover of less than 20% per year.

Trustee Freeman pointed out that all the numbers in their presentation are gross of fees. Thus, it is very difficult to compare the performance from the presentation.

Columbia ended at 1250.

### **Miller Value Partners**

At 1300 Samantha McLemore from Miller Value Partners presented the Opportunity Equity fund. Miller used to be part of Legg Mason. They are long-term, value-driven, active managers. They look for "mispricings" in the market and generate excess returns consistently by exploiting them.

Their process is to source ideas systematically, then analyze factor that affect the company's free cash flow, and finally build portfolios from the bottom up based on their assessment of risk/return factors.

They pride themselves on Bill Miller's direct access to management. They typically invest in around 40 positions and currently are at 39 names. Their fees are 100 basis points. They believe that their fund is very tax efficient.

Chairman Berlingo asked if buy and sell decisions are based around being tax efficient. Since our fund is tax exempt, this could be a concern for our fund. They do not believe that they make buy/sell decisions based solely around being tax efficient.

Miller ended at 1325.

### **Eagle Capital Management**

At 1330 Will Hyland from Eagle Capital Management presented the Eagle Equity Portfolio. They are a long only equity manager with 25-30 names. They have a 10% maximum per holding. They have 140 pension clients with \$25.4 billion in assets under management.

Since 1989 in the down quarters, if S+P was down 10%, Eagle Equity was only down 7.2%. In the same timeframe, in the up quarters, if S+P was up 10%, Eagle Equity was up 10.9%. They have outperformed in 16 of the last 20 years.

Their turnover is approximately 20% per year. They try to look for the opportunity in the tension in the market. They have a bias toward Large and Midcap stocks.

Each client is set up with a separate managed account. They can tailor restrictions on the account if the investor does not like a particular stock or product.

Their philosophy is to buy undervalued companies with unrecognized growth potential and minimize risk by avoiding high expectation stocks where there is higher risk of a permanent loss of capital.

Chairman Berlingo asked if Eagle had an annualized target outlook. Mr. Hyland expressed the fund has returned 5-6% annualized net of fee's returns over the past 5 years.

Eagle Capital ended at 1355.

### **Boston Partners**

At 1400 Dan Farren presented Boston Partners Large Cap Value Equity fund. They have \$81.6 billion in assets under management. They presented a list of clients that include firefighter pensions from Charlotte, Miami, Dallas, and Los Angeles.

To develop their list of securities, they start with over 2400 stocks and use a systematic approach to score each equity. They have broad investment guidelines to allow security selection to drive the portfolio construction and characteristics.

They have a maximum position size of 5%, a maximum sector weight of 35%, a maximum non-U.S. exposure of 15% and a maximum cash position of 10% (but usually average less than 5%). Their turnover is around 40% per year.

They normally offer fees of 70 basis points for new clients, but because they wish to bring us in and our relationship with Beirne, they are offering 40 basis points and 2 meetings a year as a form of service.

Boston Partners ended at 1425.

### **Old Business**

None

### **General / New Business**

Fund Advisor John Oliver Beirne committed to tearing apart all the numbers behind these presentations and coming back with recommendation and an estimate of fee's for each of the presenting fund managers.

Trustee Freedman asked Fund Advisor Beirne if we are weighted properly. Should we be putting \$11 million in these managers which would bring us to \$36 million total in domestic stock or roughly a third of the fund? Trustee Freedman would like to understand asset allocation of the fund before making a decision on these fund managers.

A discussion on asset allocation and what is defined as fixed income.

Fund Advisor Beirne will come back to the next meeting with a presentation of the research they performed on the asset allocation of our fund.

Chairman Berlingo requested the Beirne Wealth Consulting talk about Silverpoint to Trustee's Kutz and Palmer. He feels it is important to bring them up-to-date on these investments. It was agreed that with only two trustee's present, it does not constitute an official meeting. Trustee's Fountain and Freedman have no issue with the presentation as an educational session.

A discussion on active vs. passive investing relative to fees.

A discussion on QDRO. Chairman Berlingo asked permission to go back to our old Actuary, Hooker and Holcomb and investigate the model that was set up by them originally.

Trustee's Freedman and Palmer expressed a concern about the high fees billed by the fund's legal counsel. Trustee Freedman recommended that the board be careful not to incur excessive or unnecessary legal expense.

### **Minutes of Previous Meeting**

Trustee Kutz read the minutes from the January 28, 2019 special board meeting.

A **MOTION** was made by Trustee Freedman and seconded by Trustee Palmer at 1550 to accept the minutes from the January board meeting. Motion **PASSED** unanimously.

### **Next Meeting**

Next meeting of the pension board was scheduled for **Wednesday February 20, 2019 at 1200** in the Commissioners Conference Room at Fire Headquarters. The agenda will include the new Fund Actuary and the Fund Accountants.

The following meeting will be scheduled for **Wednesday March 13, 2019 at 1200** in the Commissioners Conference Room at Fire Headquarters. The agenda for this meeting will be determined at the February 20 meeting. Beirne Wealth Consulting will also be on the agenda.

The following meeting will be scheduled for **Tuesday April 23, 2019 at 1200** in the Commissioners Conference Room at Fire Headquarters. The agenda for this meeting will be determined at the March 13 meeting.

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 Kutz at 1555 to adjourn the meeting. Motion **PASSED** unanimously.