



STAMFORD FIREFIGHTERS PENSION FUND

City of Stamford, CT

Chairman Robert Berlingo
Richard Lyons
James Hricay
Gerald Kutz
Brendan Keatley

Meeting purpose: General business and Resolutions

June 17, 2014

A regular meeting of the Stamford Firefighters Pension Fund was held at 12 Noon on Tuesday June 17th at Stamford Fire Headquarters.

Present at the meeting were: Chairman Robert Berlingo, Trustee Richard Lyons, Trustee James Hricay, Trustee Gerald Kutz, Trustee Brendan Keatley, Fund Advisor John Beirne and Fund Advisor John Oliver Beirne.

The meeting was called to order at 12:20pm by Chairman Berlingo. Trustee Kutz was delayed arriving due to fire calls and personnel switches.

Public Comment

None

Review of Retirements approved since last meeting

A revised retirement was presented for a Fire Chief granting vacation day credit.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 12:22pm to grant the addition to a retired Chief's pension from days turn in and approved by the city. Motion was tabled awaiting the arrival of Kutz.

General Business

Chairman Berlingo presented a letter from McKeever for accounting services during the year ending June 30, 2014. The fees were raised to \$1500.00 per month.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 12:30pm to approve the increase in fees. Motion **PASSED**, Lyons, Hricay, Keatley and Berlingo voted Yes, Kutz absent.

Chairman Berlingo presented a letter from Blume Shapiro engagement for 1 year at \$6000.00 per year.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 12:40pm to approve the increase in fees. Motion **PASSED**, Lyons, Hricay, Keatley and Berlingo voted Yes, Kutz absent.

Trustee Kutz arrived at the meeting at 12:45

Review of Zesiger Capital Group

Donald DeVivo and Robert Winters presented for Zesiger Capital Group. Zesiger Capital Group manages an alternative investment fund for the Stamford Firefighters Pension Fund. A presentation handout was provided to board members and the fund advisors.

- Review of overall fund performance
- Review of Emerging Markets
- Review of individual securities in public holdings and private holdings
- Discussion of status of 2 private placement transactions

Chairman Berlingo asked about the asset allocation split between domestic and Emerging Markets. Winters responded with their current allocations

Fund Manager John Oliver Beirne pointed out the risk adjusted performance both alpha and beta of the current holdings.

Longford Capital Litigation Finance

Chairman Berlingo introduced Tim Farrell, William Farrell and William Strong from Longford Capital Litigation Finance who discussed their private equity fund and investment strategy.

Investments allow companies to finance lawsuits with potential payouts of \$10 to \$20 million per case in 12-24 months.

Only finance business vs. business disputes, no personal injury or private issues

Invest in less than 10% of cases presented to them and 98% of the cases close

Asset class is extremely new with Longford being in business since this January 2013

Currently receive 35-50% of judgment/settlement after reimbursement of investment

Large opportunity due to lack of companies in the resource class

3 year commitment of funds as an investor in the fund

Investors are made whole before partner's profit

Minimum investment of \$1M

Potential return of 40%

This is an uncorrelated asset class for improved diversification and is a true "Alternative" to market performance.

Progress since last year:

Currently have \$25 million in fund and plan to close fund at \$50 million. They have reviewed over 100 cases. They have chosen 10 as full investments and 20 more are being underwritten with a letter of intent. They have committed \$20 million to the 10 investments.

Bill Farrell talked about 1 particular investment with the board.

A discussion led by Chairman Berlingo of the particular of the capital call, funding and the structure of the payouts.

General Discussion

A **MOTION** was made by Trustee Lyons and seconded by Trustee Keatley at 3:38pm to invest \$3.5 million into Longford Capital. Motion **PASSED**, Lyons, Kutz, Keatley and Berlingo voted Yes, Hricay voted No.

A discussion ensued regarding Zesiger Capital and liquidity. The board directed Beirne Wealth to investigate other emerging market opportunities.

Fund Advisor Beirne gave an overview of the fund performance with a hand out for Quarter Ending 3/31/14. Both John and John Oliver discussed market performance and made comments regarding the tough environment that we are currently in. Some highlights follow:

- Record high positive correlation between stock and bond suggests investors have never been more scared of deflation.
- Risk assets appear to be ignoring the deflationary message. Since April 2013, risk assets have diverged massively from the economic backdrop.

The Beirnes also presented a handout and discuss regarding the growth of one dollar in each fund fire pension inception to date.

Next Meeting

Next meeting of the pension board was scheduled for Tuesday August 19, 2014 at noon in the Commissioners Conference Room at Fire Headquarters.

QDRO

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 4:00pm to go into executive session to discuss a personnel matter. Motion **PASSED** unanimously.

A **MOTION** was made by Trustee Keatley and seconded by Trustee Lyons at 4:05pm come out of executive session. Motion **PASSED** unanimously.

No actions taken in executive session

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 4:07 to refer QDRO #2 to the actuary for a clarification. Motion **PASSED** unanimously.

Chairman Berlingo discussed the status of QDRO #1 with the board and stated that we are awaiting calculations from our actuary.

General Business (Continued)

Chairman Berlingo led a discussion on the auditor. He addressed some concerns raised by board members about the audit and it will proceed as planned.

Chairman Berlingo led a discussion on the actuary who is still working on the experience study. Trustee Kutz raised a concern regarding the experience study numbers ending up in the next actuary report without the review and approval of the board. Chairman Berlingo gave assurances that this would not happen.

Chairman Berlingo presented the resolution regarding a fire chief that was tabled earlier in the meeting.

Trustee Keatley reiterated the union's objection to granting of pensions to employees outside of the bargaining unit.

A **MOTION** was made by Trustee Lyons and seconded by Trustee Hricay at 4:20pm to grant the addition to a retired Chief's pension from days turn in and approved by the city. Motion **PASSED**, Lyons, Hricay and Berlingo voted Yes, Keatley and Kutz voted No.

A **MOTION** was made by Trustee Kutz and seconded by Trustee Lyons at 4:25pm to pay Hooker and Holcomb for any reports that the board has received. Motion **PASSED** unanimously.

Trustee Keatley read a letter that he drafted to the board. The letter was sent to all board members via email and US Mail on May 30, 2014. The letter raises concerns about the city hiring 8 firefighters off a "promotional" list who have not completed the Candidate Physical Abilities test (CPAT). Once a firefighter is hired, they become a pension liability including disability.

Also covered in the letter was the issue regarding the city granting pensions to chief officers at a rate higher than is called for in the pension trust agreement and the Collective Bargaining Agreement.

A discussion ensued regarding these issues and whether they are business of the pension board of subject to negotiation of Collective Bargaining Agreements.

Chairman Berlingo agreed to study the issues raised further and see if there was a solution to the problems they present. Trustee Keatley will pursue the issues in negotiations and with the Personnel Department of the city.

Minutes of Previous Meeting

Trustee Kutz read the minutes from the May board meeting.

A **MOTION** was made by Trustee Hricay and seconded by Trustee Lyons at 5:10pm to accept the amended minutes from the May board meeting. Motion **PASSED** unanimously.

A **MOTION** was made by Trustee Keatley and seconded by Trustee Berlingo at 5:15pm to adjourn the meeting. Motion **PASSED** unanimously.