

**PENSION COMMISSION
City Conference Room
260 Constitution Plaza
Friday, April 26, 2013
9:00 a.m.**

MINUTES

PENSION ADMINISTRATION

MEMBERS PRESENT: Peter Stevens, Chairman; Frank Lord; Gene Goldman; Marc Nelson, Employee Representative; Adam Cloud, Secretary

STAFF PRESENT: Donna Parker, Plan Administrator; Anne Coleman, Assistant Plan Administrator; Lisa Silvestri, Assistant Corporation Counsel; Carmen Sierra, Assistant City Treasurer; Terry Williams, Senior Administrative Assistant

OTHERS PRESENT: Jose Sanchez, Director of Management and Budget; Attorney William P. Beccaro

Chairman Peter Stevens called the meeting to order at 9:02 a.m.

I. Minutes of the Meeting of March 22, 2013

There were no changes or corrections to the minutes as presented.

A motion was made, seconded and unanimously adopted to accept the minutes of the March 22, 2013 meeting.

II. Survivor Benefits

A motion was made, seconded and unanimously adopted to approve the following survivor benefits:

Silver, Ruth, survivor of the late Morton Silver, member of the Municipal Employees' Retirement Fund (MERF) who died March 8, 2013 (Survivor benefits under the MERF; Emp. #S678775 / 980253)

Effective Date:	April 1, 2013	
Annual Allowance:		\$ 15,657.00
Monthly Allowance:		1,304.75

III. Regular Retirements

A motion was made, seconded and unanimously adopted to approve the following regular retirement benefits:

		<u>AMOUNT</u>		
<u>Fawcett, Rosalie</u>				
Emp. # 825093 / 990498				
Union: Library Non-Union				
		Years	Months	Days
Term of Service (including Sick Exchange):		14	0	0
Sick Exchange:		0	0	0
Grounds:	Vested Service			
Termination Date:	October 4, 1984			
Effective Date:	April 10, 2013			
Average Salary:	Highest 5 out of last 10 years			\$ 16,024.90
	Final Base Pay			19,916.00
Pension Allowed:	(2.00 % x Average Salary in excess of Average Social Security + 1.00% x Average Social Security) x Service			2,811.36
Monthly Payment:				234.28
 <u>Pirro, Michael</u>				
Emp. # 942325 / 990502				
Union: HMEA				
		Years	Months	Days
Term of Service (including Sick Exchange):		10	0	0
Sick Exchange:		0	0	0
Grounds:	Vested Service			
Termination Date:	February 27, 2004			
Effective Date:	April 2, 2013			
Average Salary:	Highest 2 out of last 5 years			\$ 54,959.20
	Final Base Pay			55,029.00
Pension Allowed:	27.50%			15,113.76
Monthly Payment:				1,259.48

III. Regular Retirements (continued)

			<u>AMOUNT</u>
<u>Repass, William</u>			
Emp. # 940666 / 990501			
Union: Local 760			
	Years	Months	Days
Term of Service (including Sick Exchange):	31	2	12
Sick Exchange:	5	2	12
Grounds:	Service		
Effective Date:	March 6, 2013		
Average Salary:			\$ 113,801.34
Pension Allowed:	85.00 %		96,731.16
Monthly Payment:			8,060.93

IV. Terminated Vested -- Requests to Vest Benefits

A motion was made, seconded and unanimously adopted to approve the following requests to vest benefits:

			<u>AMOUNT</u>
<u>Godard, Norman</u>			
Emp. # 942873			
Union: HPU			
Date of Termination:	December 8, 2006		
Term of Service:	11 years		
Grounds:	Vested Service		
Normal Retirement Date:	November 27, 2015		
Average Salary:	Highest 3 out of the last 5 years		\$ 76,034.16
	Final Base Pay		69,771.00
Pension Allowed:	29.15 %		22,164.00
Monthly Payment:			1,847.00

V. Employee Pension Contribution Adjustments

1. Contributions Owed to the Employee

Chairman Stevens introduced the item. The Plan Administrator, Donna Parker stated that there were two contribution adjustments to approve.

Ms. Parker explained that when Ms. Fleeting transferred from the state CMERS plan to the MERF in 2005, she elected to take a refund of her contributions from CMERS. The Plan Administrator continued to explain that in 2005 Ms. Fleeting was set up in the pre-2003 HMEA plan with a 7.8% pension contribution rate, but she should have been set up in the post-2003 HMEA plan with a 5% pension contribution rate because she did not transfer her CMERS service to the MERF.

The Plan Administrator added that when Mr. Faircloth was hired in 2010 he was set up in the pre-2003 CHPEA plan with a 6.5% pension contribution rate, but he should have been set up in the post-2003 CHPEA plan with a 5% pension contribution rate.

As a result Ms. Fleeting and Mr. Faircloth were due refunds of the overpayments, Ms. Parker concluded.

Ms. Parker also informed the Commission that she and the Assistant Plan Administrator, Anne Coleman, were planning to audit the pension contribution codes for the remaining HMEA and CHPEA employees to verify that they were set up correctly.

A motion was made, seconded and unanimously adopted to approve the following employee contribution adjustments:

Fleeting, Marlene

Amount Due:	\$ 12,493.50
Interest Due:	1,015.23

Faircloth, Robert

Amount Due:	\$ 2,385.89
Interest Due:	41.61

V. Employee Pension Contribution Adjustments (continued)

2. Contribution Adjustments

Chairman Stevens introduced the item. The Plan Administrator, Donna Parker, explained that the new Police contract allowed current police officers to elect coverage under a new retiree medical insurance plan and the post-1999 police could elect to participate in the new post-2012 police plan. She stated that if either of these elections were made additional employee pension contributions would apply. When the Payroll Department changed the pension contribution codes in the payroll system to reflect these new elections, Ms. Parker continued, some of the new codes were not set up properly, resulting in incorrect pension contribution deductions. The Plan Administrator indicated that Attachment A showed the police officers who were due a refund or needed to pay additional employee pension contributions. During the audit, Ms. Parker noted, the Pension Unit also found several police who needed additional adjustments due to incorrect pension contribution deductions for a longer period of time or missing pension contribution deductions for Workers' Compensation.

A motion was made, seconded and unanimously adopted to approve the employee contribution adjustments shown in Attachment A.

VI. Separations from Pension Payroll

The following separations from Pension Payroll were placed on file:

<u>EMPLOYEE NUMBER</u>	<u>NAME</u>	<u>DATE OF DEATH</u>	<u>PENSION AMOUNT</u>	<u>PENSION PLAN</u>
S24450	Baine, Mary	03/08/2013	\$ 830.09	FRF
58181	Boyko, James	03/07/2013	2,549.03	MERF
69205	Brown, Arthur L.	03/26/2013	382.37	CITY-ANN
73105	Buccheri, John P.	03/26/2013	331.38	CITY-ANN
201200	Di Roberts, Mary	03/01/2013	436.43	BOE RAF
263125	Fort, Ruby	03/14/2013	231.80	MERF
274216	Fusco, Nora	03/28/2013	1,528.34	MERF
367516	Jackson, Carl A.	03/11/2013	3,524.20	MERF
609323	Pullum, Shirley L.	01/10/2013	1,533.96	MERF
673501	Sheedy, Richard	03/28/2013	1,109.16	MERF
678775	Silver, Morton	03/08/2013	2,609.49	MERF

VII. Request for Refunds of Pension Contributions

A motion was made, seconded and unanimously adopted to approve the following refunds of pension contributions:

<u>NAME</u>	<u>AMOUNT</u>
Blakelock, Donald	\$ 20,120.68
Cardi, Jasmine	1,297.69
Myers, Brandon *	24.00
Wilder-Jackson, Jennifer	2,028.10

None of the above members is vested, or, if vested, he or she has been informed of, and has waived, his or her rights to a vested benefit in lieu of a contribution refund.
The amounts shown above include interest.

* Additional interest due to the member.

VIII. Qualified Domestic Relations Orders

Chairman Stevens introduced the item. The Plan Administrator reported that the Pension Unit had received one properly executed Qualified Domestic Relations Order (QDRO) for the Deferred Compensation Plan. The Plan Administrator recommended that the Commission approve the Order as presented.

A motion was made, seconded and unanimously adopted to approve the following QDRO, with assignment as indicated, subject to like reductions in the contribution account of the plan member.

Section 457 Deferred Compensation Plan

QDRO: 13-8

Entered into Court Records: February 1, 2013
Contribution Assignment Date: November 26, 2012

	<u>Percentage</u>	<u>Dollar Amount</u>
Contributions Assigned:	N/A	\$ 28,000.00

IX. Hardship Withdrawal Ratifications

Chairman Stevens introduced the item. The Plan Administrator, Donna Parker stated that the Pension Unit had received one request for a hardship withdrawal from the Section 457 deferred compensation plan.

Application 13-2: Ms. Parker summarized the request by stating that the applicant had received a mortgage delinquency on his primary residence. Ms. Parker went on to explain that a mortgage delinquency on a participant's primary residence met the IRS guidelines for a Hardship Withdrawal and recommended that the Commission ratify the approval given by Mass Mutual's Hardship Review Committee and the Pension Commission's Review Committee.

A motion was made, seconded and adopted to ratify the approval for hardship withdrawal request 13-2 as presented.

X. Report on Section 457 Deferred Compensation Quarterly Status

Chairman Stevens introduced the item. Ms. Parker noted that she was providing the summary pages of the quarterly report provided by Mass Mutual for the Section 457 Deferred Compensation Plan for the quarter ending on March 31, 2013, as requested by the Commissioners.

The Commission received the report for advice and placed it on file.

XI. Consideration of Proposed Budget for Fiscal Year 2013-2014

Chairman Stevens introduced the item. The Secretary, Adam Cloud, reviewed the proposed MERF budget for the 2013-2014 fiscal year, noting that projected revenue of \$145.7 million exceeded projected expenses of \$104.7 million by \$40 million. He also highlighted the following items:

- there were additional expenses associated with hiring global asset and real estate managers,
- contract and administrative services expenses were flat,
- negotiations were in progress for a new custodial agreement with BNY/Mellon
- salaries increased due to allocation of a portion of the salaries for a dedicated resource in the Payroll department and in the Corporation Counsel's Office, and
- pension payments increase every year and were projected to be \$97 million for the next fiscal year.

Chairman Stevens noted that expenditures increased every year and requested that the MERF expenditures be carefully reviewed.

Next a discussion ensued about the City's contributions to the MERF and whether the contributions were on track to meet the terms of the Memorandum of Understanding. Secretary Cloud explained that the City was no longer remitting the contributions to the MERF on a bi-weekly basis and it was difficult to reconcile employer and employee contributions. Employee Representative, Marc Nelson, questioned why contributions were not tracked in the MUNIS payroll system and why Management and Budget was not tracking the contributions. Jose Sanchez, Director of Management and Budget, stated that he would look into the contribution issues and why the bi-weekly transfers stopped. Chairman Stevens requested that Secretary Cloud draft a letter on behalf of the Pension Commission to send to City Administration expressing the Commission's concern regarding the City meeting the terms of the prior agreement in the Memorandum of Understanding and seeking assurance from the City that these discrepancies will not happen in the future.

The Commission received the report for advice and placed it on file.

XII. Executive Session – Pending Litigation

A motion was made, seconded and unanimously adopted to enter into executive session to discuss the pending litigation before the Commission, after which a motion was made, seconded and unanimously adopted to return to open public session. Employee Representative, Marc Nelson, recused himself from the discussion.

A motion was made, seconded and unanimously adopted to allow the MERF to make a payment of \$625,001 to settle the Rabinowitz v. City of Hartford lawsuit.

XIII. Executive Session - Personnel Matters

A motion was made, seconded and unanimously adopted to enter into executive session to discuss the personnel matters before the Commission, after which a motion was made, seconded and unanimously adopted to return to open public session.

XIV. Other Business

Chairman Stevens introduced the item. There was no Other Business to come before the Commission at this meeting.

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There being no further business, Chairman Stevens adjourned the Pension Administration portion of the meeting at 9:40 a.m.

Attest: Adam M. Cloud
Adam M. Cloud, Secretary