

PENSION COMMISSION
City Conference Room
260 Constitution Plaza
Friday, November 22, 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; Carmen Sierra, Assistant City Treasurer; Terry Williams, Senior Administrative Assistant

Chairman Peter Stevens was expected to arrive late. Acting Chairman Frank Lord called the meeting to order at 9:05, and presided over the meeting until Chairman Stevens arrived.

I. Minutes of the Meeting of October 24, 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 October 24, 2013 meeting.

II. Survivor Benefits

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

Buckley, Jean, survivor of the late Francis Buckley, member of the Municipal Employees' Retirement Fund (MERF) who died July 28, 2013 (Survivor benefits under the MERF; Emp. #S073709 / 980273)

Effective Date:	August 1, 2013	
Annual Allowance:		\$ 1,419.60
Monthly Allowance:		118.30

II. Survivor Benefits (continued)

Cappa, Robert, survivor of the late Eleanor Cappa, member of the Municipal Employees' Retirement Fund (MERF) who died August 25, 2013 (Survivor benefits under the MERF; Emp. #S125032 / 980271)

Effective Date: November 8, 2013
Annual Allowance: \$ 4,029.36
Monthly Allowance: 335.78

McGhee, Harold *, survivor of the late Annie McGhee, member of the Municipal Employees' Retirement Fund (MERF) who died July 13, 2013 (Survivor benefits under the MERF; Emp. #S500437 / 980272)

Effective Date: July 14, 2013
Annual Allowance: \$ 5,746.68
Monthly Allowance: 478.89

McLaughlin, Sandra, survivor of the late James McLaughlin, member of the Municipal Employees' Retirement Fund (MERF) who died October 29, 2013 (Survivor benefits under the MERF; Emp. #S505552 / 980275)

Effective Date: November 1, 2013
Annual Allowance: \$ 12,700.08
Monthly Allowance: 1,058.34

Morales, Maria, survivor of the late Natividad Morales, member of the Municipal Employees' Retirement Fund (MERF) who died October 21, 2013 (Survivor benefits under the MERF; Emp. #S525421 / 980274)

Effective Date: November 1, 2013
Annual Allowance: \$ 24,295.92
Monthly Allowance: 2,024.66

* These benefits are being presented for ratification. The first payments were made in October 2013.

III. Regular Retirements

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

		<u>AMOUNT</u>		
<u>Kornblum, Rita</u>				
Emp. # 942925 / 990539				
Union: HMEA				
		Years	Months	Days
Term of Service (including Qualified Non-City Service and Sick Exchange):		23	0	0
Qualified Non-City Service:		2	2	8
Sick Exchange:		4	0	0
Grounds:	Service			
Effective Date:	October 23, 2013			
Average Salary:	Highest 2 out of last 5 years			\$ 79,069.66
	Final Base Pay			76,931.00
Pension Allowed:	62.25 %			49,220.88
Monthly Payment:				4,101.74

<u>Rozie, Carita</u>				
Emp. # 945216 / 990540				
Union: HMEA				
		Years	Months	Days
Term of Service (including Sick Exchange):		6	0	0
Sick Exchange:		0	0	0
Grounds:	Vested Service			
Termination Date:	January 22, 2013			
Effective Date:	August 12, 2013			
Average Salary:	Highest 2 out of last 5 years			\$ 65,127.66
	Final Base Pay			70,333.00
Pension Allowed:	12.00 %			7,815.36
Monthly Payment:				651.28

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>Johnson, Christian</u>	
Emp. # 2659	
Union: BOE Non-Union	
Date of Termination:	October 3, 2013
Term of Service:	9 years
Grounds:	Vested Service
Normal Retirement Date:	September 24, 2020 (Age 60)
Average Salary:	Highest 2 out of the last 5 years \$ 120,377.11
	Final Base Pay 138,375.00
Pension Allowed:	20.00 % 24,075.48
Monthly Payment:	2,006.29
<u>Ledbetter, Terri</u>	
Emp. # 852031	
Union: Library	
Date of Termination:	October 18, 2013
Term of Service:	13 years
Grounds:	Vested Service
Normal Retirement Date:	March 30, 2031 (Age 60)
Average Salary:	Highest 5 out of the last 10 years \$ 40,232.18
	Final Base Pay 39,175.00
Pension Allowed:	26.00 % 10,460.40
Monthly Payment:	871.70

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V. 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>
136204	Cooley, William	09/30/2013	\$ 2,665.45	MERF
980200	Cosgrove, Marianne	10/31/2013	4,851.98	MERF
980042	Gsoell, Gloria	07/03/2013	418.43	PBF
499642	McGarrah, Bertha	10/27/2013	223.43	MERF
505552	McLaughlin, James	10/29/2013	2,116.67	MERF
525421	Morales, Natividad	10/21/2013	4,049.31	MERF
637270	Rose Sr., Jasper	10/09/2013	528.33	MERF

The pension for the following individual was suspended under Section 2A-16 of the Municipal Code due to the fact that the non-union retiree was rehired into a full time union position.

<u>EMPLOYEE NUMBER</u>	<u>NAME</u>	<u>DATE OF REMOVAL</u>	<u>PENSION AMOUNT</u>	<u>PENSION PLAN</u>
540153	Mulroy, Nancy	10/01/2013	\$4,874.57	MERF

The pension for the following individual was reinstated since the Pension Unit received verification of his address.

<u>EMPLOYEE NUMBER</u>	<u>NAME</u>	<u>DATE OF REMOVAL</u>	<u>PENSION AMOUNT</u>	<u>PENSION PLAN</u>
990443	Thomas, Gregory	10/01/2013	\$ 5,513.35	MERF

VI. 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>
Adams, Lorelei	\$ 6,308.80
Colthirst, Tashima	2,856.28
Elmedani, Mohamed	3,150.15
Hart, Robert	4,081.86
Hurteau, Michelle	562.64
Joiner, Brittany	2,537.36
O'Toole, Joni	349.13
Reed, Lynn	6,107.31
Rivera, Nitza *	2,414.96
Tebbs, Heather	4,911.83
Washington, Valda	8,813.53
Young-Ricks, Angela	3,131.92

None of the above members was vested, or, if vested, he or she was informed of, and 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.

VII. Request for Refund of Contributions for Excess Purchased Service

A motion was made, seconded and unanimously adopted to refund the following amounts paid for additional pension service that was not able to be used in the pension calculation:

<u>Name</u>	<u>Amount Due:</u>	<u>Service Type</u>
Kornblum, Rita	\$ 2,603.64	Qualified Non-City Service

VIII. Service Purchases

Routine Service Purchases

Acting Chairman Lord introduced the item. The Plan Administrator stated that the following individuals requested the purchase of additional pension service under the provisions of the Municipal Code of the City of Hartford, Article I, Division I, Section 2A-8.

The requests were accepted and placed on file.

<u>NAME</u>	<u>TYPE</u>	<u>AMOUNT</u>			<u>PURCHASE</u>
		<u>Years</u>	<u>Months</u>	<u>Days</u>	<u>PRICE</u>
Childs, Darlene**	CMERS	23	11	20	\$ 36,889.34
Duarte, Valdemar *	Military	4	0	0	14,013.82
O'Hare, Johnmichael**	Military	4	0	0	15,887.44

* This individual signed up for payroll deduction.

** These individuals completed their service purchases

IX. Other Business

Chairman Stevens introduced the item. Commissioner Frank Lord stated that he had one item for discussion.

Commissioner Lord proposed that the Commission review the investment return assumption for the actuarial valuation. Commission Lord further explained that what he had been reading in Pension & Investments (P&I) and other sources, and the projections by NEPC, all seemed to indicate it would be a struggle to meet the current 8% valuation investment assumption.

Commissioner Gene Goldman concurred and added that capital market assumptions had been decreasing since 2008. He further noted that the current NEPC target asset allocation was projected to return 7.6%, which indicated that the 8% investment return was not sustainable over the long term, based on current capital market assumptions. Commissioner Goldman requested that Hooker & Holcombe prepare a recommendation for the City, based on their professional experience and opinion.

Secretary Adam Cloud noted his concern about the economic impact that an increase to the Annual Required Contribution (ARC) payment would have on the City. The Commission shared his concern and discussion followed about potential mitigation strategies. Secretary

IX. Other Business (continued)

Cloud noted that over the past twenty years, investment returns exceeded 8%. The group voiced concern that this return would be difficult to achieve given the drag created by the expected lower returns from fixed income securities.

Chairman Peter Stevens recommended that the conversations with Hooker & Holcombe and NEPC occur prior to the Committee of the Whole (COW) meeting, which is typically scheduled in early March (2014). Secretary Cloud added that he would review the December agenda and schedule a general discussion of the issue with all parties.

Employee Representative Marc Nelson stated that he had one item for discussion. Mr. Nelson reported that the City was on track with tax collections, but would probably not have any excess this year to use toward the City contribution under the MOU. Secretary Cloud reported that the City had paid the first installment of the MOU, and that the next installment was due in December.

X. Disability Retirement

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

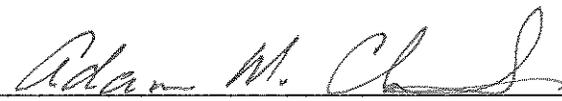
A motion was made, seconded and unanimously adopted to approve the following disability retirement application:

Application

<u>NAME</u>	<u>UNION</u>	<u>QUALIFICATION</u>	<u>YEARS</u>	<u>AGE</u>
Jones, Cenoria	Local 2221	Service Connected Partial	8	63

There being no further business, Chairman Stevens adjourned the Pension Administration portion of the meeting at 9:35.

Attest:



Adam M. Cloud, Secretary