

**PENSION COMMISSION
JCJ Architecture
38 Prospect Street
Wednesday, January 25, 2012
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; Lisa Silvestri, Assistant Corporation Counsel; Terry Williams, Senior Administrative Assistant

Chairman Peter Stevens called the meeting to order at 9:10 a.m.

I. Minutes of the Meeting of December 16, 2011

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 December 16, 2011 meeting.

II. Survivor Benefits

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

Campbell, Donna, survivor of the late Francis Campbell, member of the Municipal Employees' Retirement Fund (MERF) who died December 17, 2011 (Survivor benefits under the MERF; Emp. #S086959 / 980225)

Effective Date:	January 1, 2012	
Annual Allowance:		\$ 19,867.68
Monthly Allowance:		1,655.64

II. Survivor Benefits (continued)

Grogan, Ann, survivor of the late Michael Grogan, member of the Municipal Employees' Retirement Fund (MERF) who died November 26, 2011 (Survivor benefits under the MERF; Emp. #S310492 / 980227)

Effective Date:	December 1, 2011	
Annual Allowance:		\$ 15,061.20
Monthly Allowance:		1,255.10

III. Regular Retirements

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

		<u>AMOUNT</u>		
<u>Boyer, Luz</u>				
Emp. #905139 / 990420				
Union: Local 2221				
		Years	Months	Days
Term of Service (including Sick Exchange):		21	0	0
Sick Exchange:		0	0	0
Grounds:	Early			
Effective Date:	December 24, 2011			
Average Salary:	Highest 3 out of last 5 years			\$ 32,857.61
	Final Base Pay			29,293.00
Pension Allowed:				
Unreduced Pension:	52.00 %			\$ 17,085.96
Early Reduction Factor:	4.00 % for each year prior to age 60			8.00 %
Reduced Pension:				\$ 15,719.04
Monthly Payment:				1,309.92

III. Regular Retirements (continued)

AMOUNT

Clark, Linda

Emp. # 941921 / 990417

Union: SCGA

	Years	Months	Days
Term of Service (including Sick Exchange):	20	0	0
Sick Exchange:	0	0	0
Grounds:	Service		
Effective Date:	November 19, 2011		
Average Salary:	Highest 5 out of last 10 years		\$ 9,551.91
	Final Base Pay		10,217.00
Average Social Security:			8,583.89
Pension Allowed:	(2.00 % x Average Salary in excess of Average Social Security + 1.00% x Average Social Security) x Service		2,103.96
Monthly Payment:			175.33

Malave, Santiago *

Emp. # 472115 / 990415

Union: Non-Union

	Years	Months	Days
Term of Service (including Sick Exchange):	23	0	0
Sick Exchange:	4	0	0
Grounds:	Special 15-year		
Termination Date:	June 30, 2011		
Effective Date:	January 1, 2012		
Average Salary:	Highest 2 out of last 5 years		\$ 129,004.25
	Final Base Pay		128,400.00
Pension Allowed:	57.50 %		74,177.40
Monthly Payment:			6,181.45

Panton, Jestene

Emp. # 913411 / 990419

Union: Local 1018F

	Years	Months	Days
Term of Service (including Sick Exchange):	11	0	0
Sick Exchange:	0	0	0
Grounds:	Service		
Effective Date:	December 1, 2011		
Average Salary:	Highest 5 out of last 10 years		\$ 30,989.07
	Final Base Pay		26,711.00
Pension Allowed:	22.00 %		6,817.56
Monthly Payment:			586.13

III. Regular Retirements (continued)

AMOUNT

Reigal, Sandra

Emp. # 795658 / 990418

Union: Local 2221

	Years	Months	Days
Term of Service (including Sick Exchange):	33	0	0
Sick Exchange:	0	0	0
Grounds:	Service		
Effective Date:	December 10, 2011		
Average Salary:	Highest 3 out of last 5 years		\$ 35,252.75
	Final Base Pay		31,822.00
Pension Allowed:	70.00 %		24,676.92
Monthly Payment:	2,056.41		

Young, Frajous

Emp. # 941563 / 990416

Union: HMEA

	Years	Months	Days
Term of Service (including Sick Exchange):	13	0	0
Sick Exchange:	0	0	0
Grounds:	Vested Early		
Termination Date:	February 3, 2003		
Effective Date:	January 21, 2012		
Average Salary:	Highest 2 out of last 5 years		\$ 44,902.82
	Final Base Pay		44,446.95
Pension Allowed:			
Unreduced Pension:	32.50 %		\$ 14,593.44
Early Reduction Factor:	4.00 % for each year prior to age 60		20.00 %
Reduced Pension:	\$ 11,674.75		
Monthly Payment:	972.90		

* Elected Voluntary Retirement Incentive Program for Non-Union employees

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>Bare, Thomas</u>		
Emp. # 945344		
Union: MLA		
Date of Termination:	November 29, 2011	
Term of Service:	5 years	
Grounds:	Vested Service	
Normal Retirement Date:	November 25, 2034 (Age 60)	
Average Salary:	Highest 2 out of the last 5 years	\$ 96,895.77
	Final Base Pay	98,983.00
Pension Allowed:	10.00 %	9,689.52
Monthly Payment:		807.46
<u>Charbonneau, Robert</u>		
Emp. # 918129		
Union: Local 82		
Date of Termination:	November 8, 2011	
Term of Service:	6 years	
Grounds:	Vested Service	
Normal Retirement Date:	September 5, 2014 (Age 60)	
Average Salary:	Highest 3 out of the last 5 years	\$ 31,958.93
	Final Base Pay	32,103.00
Pension Allowed:	15.00 %	4,793.88
Monthly Payment:		399.49
<u>Dal Pra-Chichester, Adriana</u>		
Emp. # 817155		
Union: Library Union		
Date of Termination:	October 3, 2011	
Term of Service:	13 years	
Grounds:	Vested Service	
Normal Retirement Date:	May 17, 2013 (Age 60)	
Average Salary:	Highest 5 out of the last 10 years	\$ 53,824.07
	Final Base Pay	57,644.93
Pension Allowed:	26.00 %	13,994.28
Monthly Payment:		1,166.19

IV. Terminated Vested – Request to Vest Benefits (continued)

		<u>AMOUNT</u>
<u>Paggioli, James</u>		
Emp. # 944744		
Union: HMEA		
Date of Termination:	August 5, 2011	
Term of Service:	7 years	
Grounds:	Vested Service	
Normal Retirement Date:	October 22, 2022 (Age 60)	
Average Salary:	Highest 2 out of the last 5 years	\$ 93,934.74
	Final Base Pay	97,844.00
Pension Allowed:	14.00 %	13,150.92
Monthly Payment:		1,095.91

V. Pension Benefit Adjustments

A. Section 415 (m) Excess Benefit Adjustments

Chairman Stevens introduced the item. The Plan Administrator, Donna Parker, explained that the following pension benefit adjustments were due to the annual change in the Section 415(m) limits, as adjusted by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). She further explained that these limits were subject to change each calendar year and were applicable to MERF benefits as of each January 1st; noting further that the Section 415(m) excess benefit is paid from the City's General Fund. Ms. Parker also stated that six new retirees were receiving a Section 415 (m) excess benefit in 2012 as a result of the Voluntary Early Retirement Incentive in 2011.

<u>Emp#</u>	<u>Name</u>		
990339	Aguilera, Denise	MERF	\$ 5,453.67
942586		415 Excess	<u>1,569.48</u>
		Total	\$ 7,023.15
990320	Baker, Antoinette	MERF	\$ 4,294.93
940696		415 Excess	<u>1,277.27</u>
		Total	\$ 5,572.20
980062	Collins, Michael	MERF	\$ 4,827.59
940348		415 Excess	<u>485.51</u>
		Total	\$ 5,313.10
990219	Freeman, Robert	MERF	\$ 5,908.34
941385		415 Excess	<u>152.04</u>
		Total	\$ 6,060.38

A. Section 415 (m) Excess Benefit Adjustments (continued)

990322	Galarza, Enrique	MERF	\$ 4,004.61
942162		415 Excess	<u>2,450.57</u>
		Total	\$ 6,455.18
980052	Kee Borges, Sandra	MERF	\$ 5,240.36
389218		415 Excess	<u>1,074.17</u>
		Total	\$ 6,314.53
990310	Marcellino, Alexander	MERF	\$ 7,207.13
941121		415 Excess	<u>360.96</u>
		Total	\$ 7,568.09
990321	Narcisse, Sharon	MERF	\$ 5,909.26
941628		415 Excess	<u>208.34</u>
		Total	\$ 6,117.60
990340	Ramos-Soler, Ivan	MERF	\$ 4,967.67
942309		415 Excess	<u>551.14</u>
		Total	\$ 5,518.81
980063	Trujillo, Alexander	MERF	\$ 4,283.24
940538		415 Excess	<u>20.14</u>
		Total	\$ 4,303.38
980060	Vasquenza, Michael	MERF	\$ 6,811.71
745670		415 Excess	<u>1,104.34</u>
		Total	\$ 7,916.05

V. Pension Benefit Adjustments (continued)

B. Other

The Plan Administrator, Donna Parker, explained that when Michael Ciccarelli retired on July 11, 2011, his monthly pension benefit was not reduced for the QDRO benefit to his Alternate Payee of \$964.67. Ms. Parker added that in addition to the reduction in Mr. Ciccarelli's pension benefit, he would also need to repay the overpayment of \$6,441.50 from July 11, 2011 through January 31, 2011.

Ciccarelli, Michael
Emp. #990390

From: \$ 8,312.61
To: 7,347.94

A motion was made, seconded and unanimously adopted to approve the benefit adjustments as presented.

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>
086959	Campbell, Francis	12/17/2011	\$ 3,943.71	MERF
S104302	Charlinski, Stephanie	12/01/2011	483.04	FRF
108251	Ciarlegio, Frank	11/27/2011	675.52	BOE RAF
232661	Ellis, Pearlle	12/07/2011	1,429.51	MERF
275379	Gaines, Annie	10/29/2011	255.28	MERF
306800	Greenberg, Sidney	12/25/2011	2,446.36	MERF
316962	Haas, Robert	12/26/2011	3,666.40	MERF
S444155	Lewis, Catherine	10/23/2011	906.60	MERF
S640159	Rothberg, Sylvia	12/01/2011	582.65	FRF
S708526	Stroniawski, Helene	11/27/2011	604.44	MERF
980134	Tremonte Sr., James	12/01/2011	798.98	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>
Burgess, Amiel***	\$ 21,515.11
Caraballo, Idelis	4,524.74
Dowdell, Trevon	14,108.82
Dozier, Eleanor **	13,074.81
Dubose, Sherryl *	2,850.83
Leone, Christopher *	67.93
Maldonado, Adelaida *	731.80
Martin, Zaudita	8,939.51
Mitchell, Lenee***	21,515.12
Padelli, David	3,564.49
Page, Martha *	115.16
Rodrigues, Antonio *	143.12
Rodriguez, Elizabeth*	740.58
Rosado, Laura *	479.46
Sullivan, Lorraine *	1,580.19
Turner, Arthur *	21.78

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.

* Additional interest due to the member

** Beneficiary of deceased active MERF member Winifred Jones

*** Beneficiary of deceased active MERF member Evelyn Patterson

VIII. 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>
Givens, John	\$ 6,099.78	Military

IX. Service Purchases

Routine Service Purchases

Chairman Stevens introduced the item. The Plan Administrator stated that the following individuals have 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>
Cloud, Adam	Qualified Non-city	2	2	16	\$ 20,864.68
Grissette, Leonard	Military		5	26	3,248.43

These individuals have completed their service purchase.

X. Consideration of 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 The Hartford (Hartford Life) for the Section 457 Deferred Compensation Plan and the Administrative Revenue Account for the quarter ending on December 31, 2011, as requested by the Commissioners.

The Plan Administrator also informed the Commission that on December 29, 2011 the City Treasurer, Adam Cloud, signed the updated Deferred Compensation Plan document to reflect changes in the law, including the Pension Protection Act of 2006 (PPA), Heroes Earnings Assistance Act of 2008 (HEART) and the Worker, Retiree and Employer Recovery Act of 2008 (WRERA).

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

XI. Consideration of Report on Automatic Pension Adjustments for FRF and PBF

Chairman Stevens introduced the item. The Plan Administrator, Donna Parker, summarized her report, stating that the retirees under both old closed plans, the Firemen's Relief Fund (FRF) and the Police Benefit Fund (PBF), would not receive increases with the January 31, 2012 pension payment. Ms. Parker stated that the affected retirees were those who were covered under contractual provisions granting pension increases based on pay rates for active Firefighters or Police Officers in the same or corresponding grade as the retiree was in at the time of retirement.

Prior to January 2012, the April 2007 Firefighters' Agreement was used to determine the pension increases for the FRF retirees, Ms. Parker continued, but the wage increases in that contract had expired. Beginning January 1, 2012, Ms. Parker explained, the May 2009 Firefighters' agreement was used and due to wage concessions in the May 2009 contract there was no wage increase effective in January 2012. The Plan Administrator then stated that the next wage increase in June 2012 would result in a slight pension decrease for the FRF retirees, so there would also be no pension adjustment in July 2012 and the next pension increase for the FRF retirees would not be effective until January 1, 2013.

Ms. Parker added that the retirees in the other old closed plan, the Police Benefit Fund (PBF), would not receive an increase as of January 31, 2012, because the final wage adjustment in the current contract for active police occurred on June 30, 2009 and no new contract had been finalized.

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

XII. Other Business

Chairman Stevens introduced the item. The Secretary, Adam Cloud, stated that he had two informational items for the Commission.

A. Police Seminar

Secretary Cloud informed the Commission that between 2014 and 2016 about 150 Police Officers would be eligible for retirement and to help these officers prepare for retirement a retirement benefits seminar was held on January 23, 2012 at the Elks Club, which was attended by about 80 Police Officers. Donna Parker and Mary Watson from the Pension Administration Unit gave presentations about the Police Pension Plan and the retirement process, Sharon Roberts, our Account Representative from The Hartford, explained the Deferred Compensation Plan and other representatives discussed medical benefits, life insurance and Workers' Compensation, Mr. Cloud stated. The Secretary continued to

explain that he also gave a presentation about the funded status of the MERF and he explained the Cost of Living Adjustment (COLA) process, stressing that the COLA Task Force only made a recommendation to the Mayor and any COLA increase was ultimately determined by the Mayor and the City Council. Mr. Cloud concluded by stating that the Police Department was very appreciative of our efforts and he hoped to have additional seminars in the future with the Police and other departments in the City.

B. Defined Benefit (DB) Pension Plan v. Defined Contribution (DC) Plan Project

Secretary Cloud explained to the Commission that the City was still considering Pension Plan changes and the relative merits of a Defined Benefit Plan versus a Defined Contribution Plan. The Secretary explained that he envisioned a meeting during the summer where the Pension Commission and staff, PFM Asset Management and the MERF's actuary, Hooker & Holcombe, would have an in depth public meeting with the Mayor and the City Council about Pension Plan redesign. Mr. Cloud added that in the interim the Pension Commission was invited to make a presentation at the March 8th Committee of the Whole (COW) meeting and Hooker & Holcombe, the MERF's actuary, would be available to present the draft 2011 actuarial valuation report at the February 24th Commission meeting, in advance of our COW presentation.

Chairman Peter Stevens then stated that we should stress to the City how important it was to limit overtime pay and to explain how overtime impacted the City's pension contribution. Commissioner Goldman suggested that we ask the MERF's actuary, Liz Churney at Hooker & Holcombe, to calculate how every dollar of overtime impacted the City's contribution. Mr. Stevens stated that he would discuss the impact of overtime at his next meeting with the Mayor and Mr. Cloud agreed to raise the issue with the City Council members.

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

Attest:



Adam M. Cloud, Secretary