

**PENSION COMMISSION
City Conference Room
260 Constitution Plaza
Friday, May 30, 2014
9:00 a.m.**

MINUTES

PENSION ADMINISTRATION

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

MEMBERS EXCUSED: Peter Stevens, Chairman

STAFF PRESENT: Donna Parker, Plan Administrator; Anne Coleman, Assistant Plan Administrator; Gary Draghi, Director of Investments; P. Wayne Moore, Assistant Director of Investments; Carmen Sierra, Assistant City Treasurer; J. Sean Antoine, Principal Administrative Analyst; Terry Williams, Senior Administrative Assistant

OTHERS PRESENT: Richard Pokorski, Employee Benefits; George Zoltowski, Management & Budget

Acting Chairman Frank Lord called the meeting to order at 9:05 a.m.

I. Minutes of the Meeting of April 25, 2014

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 April 25, 2014 meeting.

II. Survivor Benefits

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

Schnetzler, Edward, survivor of the late Anna Schnetzler, member of the Municipal Employees' Retirement Fund (MERF) who died March 15, 2014 (Survivor benefits under the MERF; Emp. #S284769 / 980284)

Effective Date:	April 1, 2014	
Annual Allowance:		\$ 14,586.84
Monthly Allowance:		1,215.57

Willis, Bennie, survivor of the late Raymell Willis, member of the Municipal Employees' Retirement Fund (MERF) who died April 20, 2014 (Survivor benefits under the MERF; Emp. #S776394 / 980285)

Effective Date:	May 1, 2014	
Annual Allowance:		\$ 12,344.76
Monthly Allowance:		1,028.73

III. Regular Retirements

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

		<u>AMOUNT</u>		
<u>Allen, Jewell</u>				
Emp. # 008982 / 990578				
Union: HPU Non-Sworn				
		Years	Months	Days
Term of Service (including Sick Exchange):		32	0	0
Sick Exchange:		1	0	0
Grounds:	Service			
Effective Date:	April 26, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 77,720.58
	Final Base Pay			55,180.00
Pension Allowed:	80.00 %			62,176.44
Monthly Payment:				5,181.37

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III. Regular Retirements (continued)

		<u>AMOUNT</u>		
<u>DeJesus, Hector</u>				
Emp. # 942450 / 990576				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange and Military):		28	0	0
Sick Exchange:		4	0	0
Military Service:		3	11	22
Grounds:	Service			
Effective Date:	May 3, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 109,613.17
	Final Base Pay			67,051.00
Pension Allowed:	72.00 %			78,921.48
Monthly Payment:				6,576.79

<u>DiBella, Steven</u>				
Emp. # 942454 / 990570				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange):		24	0	0
Sick Exchange:		4	0	0
Grounds:	Service			
Effective Date:	May 10, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 107,908.11
	Final Base Pay			91,847.00
Pension Allowed:	63.00 %			67,982.16
Monthly Payment:				5,665.18

<u>Flanagan, Robert</u>				
Emp. # 941231 / 990575				
Union: Local 760				
		Years	Months	Days
Term of Service (including Sick Exchange):		30	9	18
Sick Exchange:		4	9	18
Grounds:	Service			
Effective Date:	May 4, 2014			
Average Salary:	Final Base Pay			\$ 81,468.31
Pension Allowed:	84.01 %			68,441.52
Monthly Payment:				5,703.46

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III. Regular Retirements (continued)

AMOUNT

Hightower, Emory

Emp. # 942451 / 990579

Union: HPU

	Years	Months	Days
Term of Service (including Sick Exchange):	24	0	0
Sick Exchange:	4	0	0
Grounds:	Service		
Effective Date:	May 2, 2014		
Average Salary:	Highest 3 out of last 5 years		\$ 116,842.51
	Final Base Pay		91,847.00
Pension Allowed:	63.00 % less QDRO		59,804.40
Monthly Payment:	4,983.70		

Jackson, Dorothy

Emp. # 942940 / 990574

Union: HMEA

	Years	Months	Days
Term of Service (including Sick Exchange):	14	0	0
Sick Exchange:	0	0	0
Grounds:	Vested Early		
Termination Date:	June 24, 2010		
Effective Date:	May 20, 2014		
Average Salary:	Highest 2 out of last 5 years		\$ 60,689.38
	Final Base Pay		61,079.00
Pension Allowed:			
Unreduced Pension:	28.00 %		\$ 16,993.08
Early Reduction Factor:	4.00 % for each year prior to age 60		20.00 %
Reduced Pension:	\$ 13,594.44		
Monthly Payment:	1,132.87		

Martinez, Ricardo

Emp. # 942408 / 990566

Union: HPU

	Years	Months	Days
Term of Service (including Sick Exchange):	24	0	0
Sick Exchange:	4	0	0
Grounds:	Service		
Effective Date:	April 12, 2014		
Average Salary:	Highest 3 out of last 5 years		\$ 131,143.81
	Final Base Pay		67,051.00
Pension Allowed:	63.00 %		82,620.60
Monthly Payment:	6,885.05		

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III. Regular Retirements (continued)

		<u>AMOUNT</u>		
<u>Miller, Martin</u>				
Emp. # 942410 / 990569				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange):		24	0	0
Sick Exchange:		4	0	0
Grounds:	Service			
Effective Date:	May 3, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 128,460.85
	Final Base Pay			77,836.00
Pension Allowed:	63.00 %			80,930.28
Monthly Payment:				6,744.19

<u>Petkaitis, Dana</u>				
Emp. # 942459 / 990577				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange and Military):		28	0	0
Sick Exchange:		4	0	0
Military Service:		3	11	23
Grounds:	Service			
Effective Date:	May 2, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 102,788.16
	Final Base Pay			91,847.00
Pension Allowed:	72.00 %			74,007.48
Monthly Payment:				6,167.29

<u>Polletta, David</u>				
Emp. # 942439 / 990568				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange):		24	0	0
Sick Exchange:		4	0	0
Grounds:	Service			
Effective Date:	May 9, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 113,363.47
	Final Base Pay			94,087.00
Pension Allowed:	63.00 %			71,418.96
Monthly Payment:				5,951.58

III. Regular Retirements (continued)

		<u>AMOUNT</u>		
<u>Resto, Heriberto</u>				
Emp. # 942460 / 990567				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange):		24	0	0
Sick Exchange:		4	0	0
Grounds:	Service			
Effective Date:	May 2, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 109,196.80
	Final Base Pay			79,782.00
Pension Allowed:	63.00 %			68,793.96
Monthly Payment:				5,732.83

IV. Pension Benefit Adjustments

Acting Chairman Lord introduced the item. The Plan Administrator, Donna Parker, explained that a group of benefit adjustments must be made as a result of earnings from gainful employment, as reported on the Earned Income Affidavits required from disabled pensioners in accordance with the requirements of Sections 2A-11c (4), 2A-31g (1), and 2A-33g (1) of the Municipal Code of the City of Hartford. She stated that a portion of the earned income was used to offset or otherwise reduce the disability pension as determined by the Municipal Code and union contracts.

The status of the requests sent and responses received as of May 15, 2014 was as follows:

Affidavits not sent due to age (70 or older), home bound, residence in nursing home, or under care of a conservator:	92
Requests Sent:	137
Affidavits Not Returned due to home bound status (determined this year):	2
Affidavits Returned:	134
Outstanding:	1

IV. Pension Benefit Adjustments (continued)

A motion was made, seconded and unanimously adopted to approve the following pension benefit adjustments in accordance with the requirements of Section 2A of the Municipal Code to be effective on May 1, 2014:

<u>EE#</u>	<u>NAME</u>	<u>UNION</u>	<u>CURRENT MONTHLY PENSION</u>	<u>ADJUSTED MONTHLY PENSION</u>
153028	Cummings, Debra	Local 1018C	\$ 1,176.57	\$ 1,263.82
246328	Ferranti, Albert	Local 760	579.96	1,744.67
941141	Gonzalez, Rafael	HPU	2,041.65	2,097.11
940346	Hernandez, Alma	HMEA	1,906.69	1,928.37
942447	Salsgiver, Valerie	HPU	621.26	0.00
942197	Williams, Carrie	SCGA	0.00	0.00

The following individual did not return his Earned Income Affidavit and, as required by the Municipal Code, Ms. Parker recommended that his pension be suspended effective with the May 2014 payment.

A motion was made, seconded and unanimously adopted to approve the following pension benefit adjustment effective May 1, 2014:

<u>EE#</u>	<u>NAME</u>	<u>UNION</u>	<u>CURRENT MONTHLY PENSION</u>
941423	Topping, John	HPU	\$ 2,578.42

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>
12130	Anderson, Dennie	04/14/2014	\$ 1,541.05	MERF
90662	Carey, Helen	04/19/2014	963.50	MERF
S136174	Cooley, Richard	04/24/2014	163.61	MERF
202983	Doherty, John	03/10/2014	3,756.05	MERF
305391	Graziani, Frank	04/18/2014	312.22	MERF
S391255	Kehoe, Marion	04/03/2014	3,574.86	MERF
S522024	Molloy, Evelyn	04/20/2014	1,061.00	MERF
980151	Rowin, Isabel	04/05/2014	920.97	PBF
776394	Willis, Raymell	04/20/2014	2,057.45	MERF

The pension for the following individual was suspended due to the fact that at least two pension payments remained uncashed or were returned as undeliverable and the individual did not respond to inquiries made by the Pension Unit as to her address and/or status.

<u>EMPLOYEE NUMBER</u>	<u>NAME</u>	<u>DATE OF REMOVAL</u>	<u>PENSION AMOUNT</u>	<u>PENSION PLAN</u>
85006	Callahan, Jenoise	05/01/2014	\$ 185.28	MERF

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

<u>EMPLOYEE NUMBER</u>	<u>NAME</u>	<u>DATE OF REMOVAL</u>	<u>PENSION AMOUNT</u>	<u>PENSION PLAN</u>
281175	Gayle, Veronica	03/01/2014	\$ 103.82	MERF

The Plan Administrator, Donna Parker, reported that the Pension Unit signed a contract for address searches with Lexis Nexis to help locate MERF participants more easily.

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>
Arvelo-Horvath, Dinamary	\$ 4,004.87
Dresser, Claudia	256.81
Dunaway, Laurie *	3,649.81
Figueroa, Jeserika	7,522.44
Jackson, Dorothy**	2,999.29
Root, Ashley	440.94
Santiago, Jose	813.90
Smith, William	29,793.57

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.

**Refund of over-deducted employee contributions

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>
DeJesus, Hector	\$ 63.45	Military
Petkaitis, Dana	91.36	Military
Tedeschi, Mark	328.35	Military

VIII. Service Purchases

Routine Service Purchases

Acting Chairman Lord 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 PRICE</u>
		<u>Years</u>	<u>Months</u>	<u>Days</u>	
Donahue, Holly *	Military	4	0	0	\$ 31,164.47
Lee, Benjamin **	Military	4	0	0	14,379.25
Rodriguez, Jose *	Military	1	2	23	6,348.08

* This individual has completed his service purchase.

** This individual has signed a promissory note.

Hardship Withdrawal Requests

IX.

Acting Chairman Lord introduced the item. The Plan Administrator, Donna Parker stated that the Pension Unit had received three requests for hardship withdrawals from the Section 457 deferred compensation plan.

Application 14-01: Ms. Parker summarized the request by stating that the applicant had received a foreclosure notice on the mortgage of his primary residence. Ms. Parker went on to explain that foreclosure on a participant's primary residence met the IRS guidelines for a Hardship Withdrawal, but Mass Mutual declined the request unless an updated reinstatement amount was provided. The Pension Commission's Review Committee, she continued, approved the request because the additional time required to receive an updated amount would be a hardship for the participant and the participant's full account balance was less than the initial reinstatement amount. Ms. Parker recommended that the Commission ratify the approval given by the Pension Commission's Review Committee.

Application 14-02: Ms. Parker summarized the request by stating that the applicant requested a hardship withdrawal due to loss of income following a stroke. The Plan Administrator went on to explain that this circumstance was not specifically listed in the IRS guidelines for a Hardship Withdrawal, but it was an "unforeseeable circumstance".

Ms. Parker added that Mass Mutual denied the request because the applicant did not prove loss of income; however the Pension Commission's Review Committee approved the request after the participant provided a foreclosure notice. Ms. Parker recommended that the Commission ratify the approval given by the Pension Commission's Review Committee.

Application 14-03: Ms. Parker summarized the request by stating that the applicant had received an eviction notice on his primary residence. Ms. Parker went on to explain that eviction from a participant's primary residence met the IRS guidelines for a Hardship Withdrawal and recommended that the Commission ratify the approval given by The Hartford's Hardship Review Committee and the Pension Commission's Review Committee.

A motion was made, seconded and adopted to ratify the approvals for hardship withdrawal requests 14-01, 14-02 and 14-03 as presented.

X. Revised July 1, 2013 Actuarial Valuation Report

Acting Chairman Lord introduced the item. He noted that the Revised July 1, 2013 Actuarial Valuation Report had been distributed and incorporated the changes requested by the Pension Commission: the change in the investment return assumption from 8.0% to 7.75%, the change to twenty five year closed amortization of the Unfunded Actuarial Liability, and the change to 15 year amortization of new gains and losses.

Secretary Cloud suggested that the Pension Commission review the recommendations of the Task Force on Benefits as a group, and share the recommendations with Hooker and Holcombe. He continued to say that he appreciated the findings of the Task Force, and that he was dismayed with statements in the press that blamed the pension contributions for the City's deficits. Secretary Cloud continued to explain that the pension contribution increased from \$43 million to \$44 million, and that the budget gap was in part due to a Memorandum of Understanding in each of the prior two years, which moved a portion of the pension contribution from the budget. He further noted that the increase in pension costs was attributable to early retirement incentives in 2010 and 2011, which had a negative impact on funding, with more employees receiving benefits, and less employees contributing to the fund, and contract negotiations.

Employee Representative Marc Nelson added that he was also frustrated by the press release. He noted that the recent property revaluation decreased the City's revenues by \$30 million.

A motion was made, seconded and unanimously adopted to approve the Revised July 1, 2013 Actuarial Valuation Report.

XI. Other Business

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

XII. Disability Retirements

A motion was made, seconded and unanimously adopted to enter into executive session to discuss the disability applications 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 applications:

Benefit Approvals

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

		<u>AMOUNT</u>		
<u>Tedeschi, Mark</u>				
Emp. # 942414 / 990571				
Union: HPU				
		Years	Months	Days
Term of Service (including Sick Exchange and Military):		27	0	0
Sick Exchange:		4	0	0
Military Service:		2	10	13
Grounds:	Service Connected Partial			
Effective Date:	May 15, 2014			
Average Salary:	Highest 3 out of last 5 years			\$ 113,809.85
Final Base Pay:				96,327.00
Pension Allowed:	70.00%			79,666.92
Monthly Payment:				6,638.91

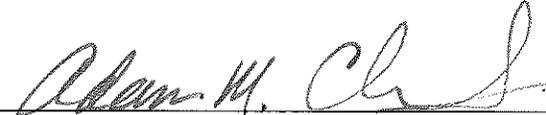
XII. Disability Retirements (continued)

Weston, Gregory
Emp. # 942448 / 990572
Union: HPU

	Years	Months	Days
Term of Service (including Sick Exchange and Military):	28	0	0
Sick Exchange:	4	0	0
Military Service:	4	0	0
Grounds:	Service Connected Partial		
Effective Date:	April 26, 2014		
Average Salary:	Highest 3 out of last 5 years		\$ 128,228.31
Final Base Pay:	77,836.00		
Pension Allowed:	72.00%	92,324.40	
Monthly Payment:	7,693.70		

There being no further business, Acting Chairman Lord adjourned the Pension Administration portion of the meeting at 9:45 a.m.

Attest:



Adam M. Cloud, Secretary