

**PENSION COMMISSION
City Conference Room
260 Constitution Plaza
Friday, May 27, 2016
9:00 a.m.**

MINUTES

PENSION ADMINISTRATION

MEMBERS PRESENT: Frank Lord; Gene Goldman; Nicholas Trigila, Employee Representative; Adam Cloud, Secretary

MEMBERS EXCUSED: Peter Stevens, Chairman

STAFF PRESENT: Donna Parker, Plan Administrator; Lisa Silvestri, Assistant Corporation Counsel; Carmen Sierra, Assistant City Treasurer; Chelsea Mott, Accountant

OTHERS PRESENT: Richard Pokorski, Employee Benefits; George Zoltowski, Management & Budget; Peter Ryan, Retired Firefighter

Acting Chairman Frank Lord called the meeting to order at 9:15 a.m.

I. Minutes of the Meeting of April 29, 2016

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 29, 2016 meeting.

Agenda Items II through VIII – Discussion

Under the new administrative process, the Pension Commission discussed agenda items II through VIII prior to any motions or approvals. Plan Administrator Donna Parker stated that the agenda items were routine this month except for Agenda Item IV, Disability Affidavits. She explained that 130 affidavits had been sent and all but two were returned. Ms. Parker added that Lourdes Perez returned her affidavit on May 23, 2016, and would be issued a May pension check. Employee Representative Nick Trigila asked if there were other ways to obtain the earnings information besides sending an affidavit. A discussion ensued and Assistant Corporation Counsel Lisa Silvestri thought the information could be obtained directly from the Internal Revenue Service but the retiree would need to complete a form and sign it before we could make the request on his behalf. Mr. Trigila also suggested that Rich Pokorski from Employee Benefits might be able to get contact information for the Pension Unit, if we had difficulty getting in touch with a disabled retiree.

Mr. Trigila asked for an update on the status of the Firefighters' retirements. Ms. Parker explained that the deadline for the firefighters to rescind their retirement applications was May 26, 2016, so she did not have an update yet. However, she added there were about 60 pending retirement applications in the Pension Unit: 16 firefighters, 20 Board of Education employees, 8 Police and 16 City employees. Chief Operating Officer Darrell Hill asked if the rescission applied to applications in the Pension Unit or the Fire Department and Ms. Parker responded the rescission applied to both locations. Secretary Adam Cloud stated that the Pension Unit had completed about 80 estimates for the firefighters during the past month and responded to numerous phone calls. He added that if all potential 71 firefighters retired, the monthly pension benefit payments would increase by about \$5 million and cause staffing issues within the Fire Department. Commissioner Goldman thanked the Pension Unit for all of their hard work this past month.

II. Survivor Benefits

The following survivor benefits were approved by consent vote:

Dagenais, Barbara, survivor of the late Joseph Dagenais, member of the Municipal Employees' Retirement Fund (MERF) who died April 8, 2016 (Survivor benefits under the MERF; Emp. #S159522 / 980335)

Effective Date:	May 1, 2016	
Annual Allowance:		\$ 15,344.64
Monthly Allowance:		1,278.72

II. Survivor Benefits (continued)

Davenport, Louise survivor of the late Paul Davenport, member of the Municipal Employees' Retirement Fund (MERF) who died March 27, 2016 (Survivor benefits under the MERF; Emp. #S172227 / 980338)

Effective Date: April 1, 2016
Annual Allowance: \$ 16,238.78
Monthly Allowance: 1,353.23

Lacey, John, survivor of the late Sharon Lacey, member of the Municipal Employees' Retirement Fund (MERF) who died April 14, 2016 (Survivor benefits under the MERF; Emp. #S421936 / 980336)

Effective Date: May 1, 2016
Annual Allowance: \$ 1,827.24
Monthly Allowance: 152.27

Mason, Albert, survivor of the late Eunice Mason, member of the Municipal Employees' Retirement Fund (MERF) who died September 23, 2015 (Survivor benefits under the MERF; Emp. #S485691 / 980337)

Effective Date: October 1, 2015
Annual Allowance: \$ 7,819.68
Monthly Allowance: 651.64

Theriault, Paul, survivor of the late Marie Theriault, member of the Municipal Employees' Retirement Fund (MERF) who died April 12, 2016 (Survivor benefits under the MERF; Emp. #S941934 / 980334)

Effective Date: May 1, 2016
Annual Allowance: \$ 17,540.52
Monthly Allowance: 1,461.71

III. Regular Retirements

The following regular retirement benefits were approved by consent vote:

		<u>AMOUNT</u>		
<u>McEvila, Patricia</u>				
Emp. # 900273 / 990784				
Union: Local 2221				
		Years	Months	Days
Term of Service (including Sick Exchange):		11	0	0
Sick Exchange:		0	0	0
Grounds:	Vested Service			
Termination Date:	December 15, 1995			
Effective Date:	November 28, 2009			
Average Salary:	Highest 5 out of last 10 years			\$ 20,910.04
	Final Base Pay			26,423.01
Pension Allowed:	22.00 %			4,600.20
Monthly Payment:				383.35
<u>Warwick, Deborah</u>				
Emp. # 908784 / 990783				
Union: Local 1018 A/B				
		Years	Months	Days
Term of Service (including Sick Exchange):		20	0	0
Sick Exchange:		0	0	0
Grounds:	Service			
Effective Date:	April 26, 2016			
Average Salary:	Highest 3 out of last 5 years			\$ 51,327.86
	Final Base Pay			52,072.00
Pension Allowed:	50.00 %			25,663.92
Monthly Payment:				2,138.66

IV. Pension Benefit Adjustments

A. Disability Affidavits

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. 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 18, 2016 was as follows:

Affidavits not sent due to age (70 or older), home bound, residence in a nursing home, or under care of a conservator:	95
Requests Sent:	130
Affidavits Not Returned due to home bound status (determined this year):	0
Affidavits Returned:	128
Outstanding:	2

The following pension benefit adjustments in accordance with the requirements of Section 2A of the Municipal Code to be effective on May 1, 2016 were approved by consent vote:

<u>EE#</u>	<u>NAME</u>	<u>UNION</u>	<u>CURRENT MONTHLY PENSION</u>	<u>ADJUSTED MONTHLY PENSION</u>
990661	Binder, Ann	Library	\$ 1,902.89	\$ 1,820.39
941141	Gonzalez, Rafael	HPU	2,824.19	2,334.21

The following individuals did not return their Earned Income Affidavits and, as required by the Municipal Code, their pensions were suspended effective with the May 2016 payment. However the Pension Unit received Ms. Lourdes affidavit on May 23, 2016 and issued her a supplemental check.

IV. Pension Benefit Adjustments (continued)

A. Disability Affidavits

The following pension benefit adjustments effective May 1, 2016 were approved by consent vote:

<u>EE#</u>	<u>NAME</u>	<u>UNION</u>	<u>CURRENT MONTHLY PENSION</u>
942882	Perez, Lourdes	HPU	\$ 1,730.42
631523	Rocco, Anthony	Local 760	1,165.73

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>
92002	Carlson, Elsie	03/19/2016	\$ 952.19	MERF
98842	Cashman, Joan	04/19/2016	553.89	MERF
159522	Dagenais, Joseph	04/08/2016	3,727.44	MERF
421936	Lacey, Sharon	04/14/2016	304.54	MERF
421987	Lach, Walter	11/19/2015	448.31	MERF
530352	Morin, Sarah	03/09/2016	183.84	MERF
940978	Philip, Virginia	04/20/2016	883.14	MERF
990540	Rozie, Carita	04/23/2016	754.13	MERF
642878	Roznar, Lillian	04/09/2016	258.16	MERF
980239	Schweighoffer, Patricia	04/12/2016	1,054.12	MERF
990347	Theriault, Marie	04/12/2016	2,923.42	MERF
980159	Van Vlack, Milton	04/15/2016	272.58	MERF
980296	Welles, Adele	01/26/2016	1,355.65	PBF

VI. Request for Refunds of Pension Contributions

The following refunds of pension contributions were approved by consent vote:

<u>NAME</u>	<u>AMOUNT</u>
Brown, Annie *	\$ 242.03
Colon, Cindy *	527.43
D'Amico, Tracy **	25,380.36
Donahue, Holly	2,726.89
Ely, Rhonda	77.46
Frazer, Lauren	11,295.34
La Luz, Maribel	17,764.70
Moreno, Maria	8,059.96
Nieves, Benita	2,388.82
Smith, Lloyd	3,825.67
Vasquez, Santelmo *	76.05
Vazquez, Dinora ***	200.65
Wadehra, Yamini	2,550.87

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 contributions or interest due to the member.

** Beneficiary of deceased active MERF member Carol Forand

*** Beneficiary of deceased active MERF member Vianca Allende

VII. Service Purchases

Routine Service Purchases

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 PRICE</u>
		<u>Years</u>	<u>Months</u>	<u>Days</u>	
Barco, Rodney	Military	4	0	0	\$ 52,762.60
Reilly, Daniel	Military	3	11	28	59,332.00
Rivera, Manuel	Military	2	5	9	34,921.23

These individuals have completed their service purchases.

VIII. Qualified Domestic Relations Orders

The Pension Unit had received one properly executed Qualified Domestic Relations Orders (QDRO) for the Deferred Compensation Plan.

The following QDRO, with assignment as indicated, subject to like reductions in the contribution account of the plan member, was approved by consent vote:

Section 457 Deferred Compensation Plan

QDRO: 16-04

Entered into Court Records: April 26, 2016

Contribution Assignment Date: April 22, 2016

Contributions Assigned: Dollar Amount
\$ 30,000.00

IX. Other Business

Acting Chairman Frank Lord introduced the item and welcomed retired firefighter Peter Ryan. Mr. Ryan stated that he came to the Commission meeting to voice his concerns about the Pension Commission purchasing Batterson Park, because the Pension Commission should only be purchasing investments that would generate income.

Secretary Cloud provided some background information about Batterson Park and explained that the Commission was not considering the development of the portion of the park that was for recreation, but an undeveloped 84 acre parcel on the New Britain-Farmington line. Secretary Cloud explained that he was working with outside legal counsel on a Memorandum of Understanding to define the transfer and how it would work with the City and a Request for Proposal from developers for two 100,000 square foot office buildings. He added that the developers would pay rent to the MERF to lease the land.

Secretary Cloud continued to explain that the Batterson Park transaction would be completely transparent; legal counsel would negotiate the transaction and investment staff would review the transaction, and if the expected long term rate of return did not rival other real estate managers, the Commission might not accept the transaction. Secretary Cloud stated that he had spoken to three developers about the parcel and the developers agreed it was a desirable location.

Secretary Cloud noted that the City's administration had asked the Pension Commission to consider the transaction and it was in the best interests of the City to let the Commission, who had the skill set, develop Batterson Park. Secretary Cloud continued to explain that the Mayor wanted to reduce the City's \$40 million annual pension contribution by \$20 million, which would have a grave impact on the MERF's ability to generate returns and Secretary Cloud wanted something of value in exchange for underfunding the pension contribution. The proposed Batterson Park transaction would lower the City's contribution by \$5 million, Secretary Cloud stated, but the MERF would receive the income generated in return after the parcel was developed.

Mr. Ryan stated that the City had asked to be excused from making pension contributions previously. Secretary Cloud responded that the City had asked to be excused but the Commission never approved the request and the City had always paid the full amount. Commissioner Gene Goldman added that there were several years when there was a contribution holiday and no contribution was required, but if a contribution was due the City always paid the contribution. Chief Operating Officer Darrell Hill also added that when the MERF was fully funded, no pension contribution was due. Acting Chairman Frank Lord noted that the 2016-2017 budget included that the City would fund the full amount of the pension contribution.

As a separate item, Secretary Cloud informed the Commission that he, the Plan

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Administrator Donna Parker and Assistant Treasurer Carmen Sierra had interviewed several candidates for the Assistant Plan Administrator position and Wendy Bond had accepted our offer with a start date of June 6, 2016. Ms. Parker added that Ms. Bond worked at Mass Mutual and had experience with Defined Benefit and Defined Contribution plans.

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