

PENSION COMMISSION
Development Services Department Conference Room
250 Constitution Plaza, 4th Floor
Wednesday, April 24, 2019
9:00 a.m.

AGENDA

PENSION ADMINISTRATION

- I. Review of Minutes of the Meeting of March 22, 2019**
- II. Survivor Benefits**

<u>NAME</u>	<u>FUND</u>
Callender, Nancy E	MERF
Dempsey, Maria A.	MERF

III. Regular Retirements

<u>NAME</u>	<u>UNION</u>	<u>QUALIFICATION</u>	<u>YEARS</u>	<u>AGE</u>
Cloutier, Gerald	HPU	Service	32	59
Patel, Padma	HMEA	Service	32	61
Ragno, Anthony	HPU	Service	25	46
Rivera, Ana C.	LOC2221	Early Retirement	23	58
Steinke, Carol	HMEA	Early Retirement	13	58

- IV. Separations from Pension Payroll**
- V. Requests for Refunds of Contributions**
- VI. Other Business**
- **2005 QDROs Regulations Revisions**

PENSION DATA

II. Survivor Benefits

Callender, Nancy E., survivor of the late Robert Callender, member of the Municipal Employees' Retirement Fund (MERF) who died February 16, 2019 (Survivor benefits under the MERF; Employee #S980411)

Effective Date:	March 1, 2019	
Annual Allowance		\$15,008.82
Monthly Allowance		1,250.74

Dempsey, Maria A., survivor of the late John B. Dempsey, member of the Municipal Employees' Retirement Fund (MERF) who died February 26, 2019 (Survivor benefits under the MERF; Employee #S980413)

Effective Date:	March 1, 2019	
Annual Allowance		\$20,447.76
Monthly Allowance		1,703.98

III. Regular Retirements

AMOUNT

Cloutier, Gerald
Employee # 941894 / 991182
Union: HPU

	Years	Months	Days
Term of Service (including Sick Exchange)	32	0	0
Sick Exchange:	4	0	0
Grounds:	Service		
Effective Date:	March 5, 2019		
Ending Annual Salary:			\$59,706.92
Average Salary:	Highest 3 out of last 5 years		59,842.51
Annual Pension Allowed:	80%		47,874.00
Monthly Payment:			3,989.50

III. Regular Retirements (contd.)

AMOUNT

Patel, Padma

Employee # 940575 / 991180

Union: HMEA

	Years	Months	Days
Term of Service (including Sick Exchange)	32	0	0
Sick Exchange:	0	0	0
Grounds: Service			
Effective Date: March 23, 2019			
Ending Annual Salary:			\$98,176.26
Average Salary: Highest 2 out of last 5 years			102,863.76
Annual Pension Allowed: 75%			77,147.88
Monthly Payment:			6,428.99

AMOUNT

Ragno, Anthony

Employee # 943608 / 991178

Union: HPU

	Years	Months	Days
Term of Service (including Sick Exchange)	25	0	0
Sick Exchange:	4	0	0
Grounds: Service			
Effective Date: February 4, 2019			
Ending Annual Salary:			\$71,480.24
Average Salary: Highest 3 out of last 5 years			144,649.29
Annual Pension Allowed: 66%			95,468.52
Monthly Payment:			7,955.71

III. Regular Retirements (contd.)

AMOUNT

Rivera, Ana C.

Employee # 909144 / 991179

Union: LOC2221

	Years	Months	Days
Term of Service (including Sick Exchange)	23	0	0
Sick Exchange:	0	0	0
Grounds:	Early Retirement		
Effective Date:	March 22, 2019		
Ending Annual Salary:			\$40,714.00
Average Salary:	Highest 3 out of last 5 years		43,092.46
Annual Pension Allowed:			
Unreduced Pension	56%		\$24,131.76
Early Reduction Factor:	4.00% for each year prior to age 60		4%
Reduced Pension:			\$23,166.48
Monthly Payment:			1,930.54

AMOUNT

Steinke, Carol

Employee # 945162 / 991181

Union: HMEA

	Years	Months	Days
Term of Service (including Sick Exchange)	13	0	0
Sick Exchange:	0	0	0
Grounds:	Early Retirement		
Effective Date:	January 5, 2019		
Ending Annual Salary:			\$95,993.56
Average Salary:	Highest 2 out of last 5 years		99,552.05
Annual Pension Allowed:			
Unreduced Pension	26%		\$25,883.52
Early Reduction Factor:	4.00% and fraction for each year prior to age 60		5.01%
Reduced Pension:			\$24,586.80
Monthly Payment:			2,048.90

IV. Separations from Pension Payroll

<u>EMPLOYEE NUMBER</u>	<u>NAME</u>	<u>DATE OF DEATH</u>	<u>PENSION AMOUNT</u>	<u>PENSION PLAN</u>
111546	Claffey, Marguerita	03/07/2019	2,018.70	MERF
167088	Damato, Joseph	03/16/2019	1,146.54	MERF
980309	Dashefsky, Solomon	03/30/2019	439.53	MERF
187097	Denowitz, Muriel	03/22/2019	426.27	MERF
903312	Glasscock, Diane	03/07/2019	869.40	MERF
385123	Kardys, Robert	02/17/2019	2,876.24	MERF
980313	Michaelis, Raymond	03/29/2019	295.87	MERF
680300	Privitera, Salvatore	03/18/2019	1,744.15	MERF
643203	Rubenbauer, Raymond	03/14/2019	2,373.83	MERF

V. Request for Refunds of Pension Contributions

<u>NAME</u>	<u>AMOUNT</u>
Aleman, Jorel	11,267.35
Bolivar, Maribel	19,588.68
Ferrucci, Matthew	14,072.26
Grant, Kenyon	4,565.15
Green, Johnny	35,113.90
Henry, Shoshannah	370.97
Huot, Kimberly	887.13
Hyland, Jason	38,192.31
Ibrahimi, Raimonda	35,658.50
Kaszycki, Amy	1,820.15
Logan, Chamar	28,150.46
Salm, Judith	335.68
Thornley, Wendy	41,200.377

V. Request for Refunds of Pension Contributions (contd.)

<u>NAME</u>	<u>AMOUNT</u>
Torniero, Justin	\$76,749.94
Williams, Diane	1,219.43

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 include interest.

PENSION COMMISSION
JCJ Architecture
120 Huyshope Avenue, Suite 400
Friday, March 22, 2019
9:00 a.m.

Minutes

PENSION ADMINISTRATION

MEMBERS PRESENT: Peter Stevens, Commission Chairman; Gene Goldman, Commission Member; Adam M. Cloud, Secretary; Carmen I. Sierra, Assistant Secretary and Nicholas Trigila, Employee Representative

STAFF PRESENT: Mary Watson, Senior Member Services Specialist; Chelsea Mott, Principal Accountant and Lisa Chiarillo, Temporary PAU Staff

OTHERS PRESENT: Gary B. Draghi, Chief Investment Officer; P. Wayne Moore, Deputy Chief Investment Officer; J. Sean Antoine, Principal Administrative Analyst; William Beccaro, Attorney; Lisa Silvestri, Assistant Corporation Council; Kim Campagna, Controller; Ellen Kucenski, Hooker & Holcombe and Brianne Fayed, Hooker & Holcombe

Commission Chair Peter Stevens called the meeting to order at 9:12 a.m. following the adjournment of the OPEB Trust Committee.

I. Review of Minutes of the Meeting of February 22, 2019

Chairman Stevens introduced the item and asked for questions, comments or corrections. There were none.

A motion was made, seconded and adopted to accept the minutes of the February 22, 2019 meeting as presented.

Agenda Items II through VII-Discussion

Under the new administrative process, the Pension Commission discussed agenda

items II through VII prior to any motions or approvals. Acting Plan Administrator, Carmen Sierra stated that the agenda items were routine this month. Discussion ensued.

A motion was made, seconded and unanimously accepted to approve items II through VII that required approval and to accept and place on file any requests not requiring approval by consent vote.

PENSION DATA

II. Survivor Benefits

The following survivor benefits were approved by consent vote:

Frank, Corina, survivor of the late Ralph Frank, member of the Municipal Employees' Retirement Fund (MERF) who died January 6, 2019 (Survivor benefits under the MERF; Employee #S980409)

Effective Date:	March 1, 2019	
Annual Allowance		\$13,048.20
Monthly Allowance		1,087.35

Thompson, Agnes M., survivor of the late George A. Thompson IV, member of the Municipal Employees' Retirement Fund (MERF) who died December 16, 2018 (Survivor benefits under the MERF; Employee #S980410)

Effective Date:	January 1, 2019	
Annual Allowance		\$15,161.64
Monthly Allowance		1,263.47

III. Regular Retirements

The following regular retirement benefits were approved by consent vote:

			<u>AMOUNT</u>
<u>Baptist, Thomas R.</u>			
Employee # 946569 / 991172			
Union: HMEA			
	Years	Months	Days
Term of Service (including Sick Exchange	5	0	0
Sick Exchange:	0	0	0
Grounds:	Service		
Effective Date:	January 4, 2019		
Ending Annual Salary:			\$107,258.06
Average Salary:	Highest 2 out of last 5 years		114,887.24
Annual Pension Allowed:	10.00%		11,488.68
Monthly Payment:			957.39

			<u>AMOUNT</u>
<u>Cajiga, Nydia</u>			
Employee # 277789 / 991173			
Union: LOC2221			
	Years	Months	Days
Term of Service (including Sick Exchange	42	0	0
Sick Exchange:	0	0	0
Grounds:	Service		
Effective Date:	January 22, 2019		
Ending Annual Salary:			\$36,296.00
Average Salary:	Highest 3 out of last 5 years		41,062.13
Annual Pension Allowed:	70.00%		28,743.48
Monthly Payment:			2,395.29

III. Regular Retirements (continued)

AMOUNT

Gomez, Carlos R.

Employee # 942745 / 991174

Union: HPU

	Years	Months	Days
Term of Service (including Sick Exchange)	24	0	0
Sick Exchange:	4	0	0
Grounds:	Service		
Effective Date:	January 26, 2019		
Ending Annual Salary:			\$78,001.04
Average Salary:	Highest 3 out of last 5 years		136,812.87
Annual Pension Allowed:	70.00%		95,769.00
Monthly Payment:			7,980.75

AMOUNT

Jones, Brenda J.

Employee # 908678 / 991171

Union: LOC1100

	Years	Months	Days
Term of Service (including Sick Exchange)	10	0	0
Sick Exchange:	0	0	0
Grounds:	Vested Early		
Effective Date:	January 25, 2019		
Ending Annual Salary:			\$37,544.00
Average Salary:	Highest 5 out of last 10 years		36,271.52
Annual Pension Allowed:			
Unreduced Pension:	20.00%		\$7,254.36
Early Reduction Factor:	4.00% for each year prior to age 60		8.00%
Reduced Pension			\$6,674.04
Monthly Payment:			556.17

III. Regular Retirements (continued)

AMOUNT

Levitz, Gretchen*

Employee # 424 / 991165

Union: LOC82

	Years	Months	Days
Term of Service (including Sick Exchange)	9	0	0
Sick Exchange:	0	0	0
Grounds:	Vested Early		
Effective Date:	March 16, 2019		
Ending Annual Salary:			\$75,900.00
Average Salary:	Highest 3 out of last 5 years		76,763.93
Annual Pension Allowed:			
Unreduced Pension:	22.50%		\$17,271.84
Early Reduction Factor:	4.00% for each year prior to age 60		20.00%
Reduced Pension			\$13,817.52
Monthly Payment:			1,151.46

AMOUNT

McDoom, Gerald T.

Employee # 913358 / 991176

Union: LOC1018 D

	Years	Months	Days
Term of Service (including Sick Exchange)	18	0	0
Sick Exchange:	0	0	0
Grounds:	Service		
Effective Date:	January 5, 2019		
Ending Annual Salary:			\$36,803.00
Average Salary:	Highest 5 out of last 10 years		40,316.69
Annual Pension Allowed:	36.00%		14,514.00
Monthly Payment:			1,209.50

III. Regular Retirements (continued)

AMOUNT

Thompson-Daniel, Donna

Employee # 944689 / 991175

Union: SCGA

	Years	Months	Days
Term of Service (including Sick Exchange)	15	0	0
Sick Exchange:	0	0	0
Grounds:	Early Retirement		
Effective Date:	December 20, 2018		
Ending Annual Salary:			\$10,948.04
Average Salary:	Highest 5 out of last 10 years		10,395.28
	Average Earnings subject to Social Security		9,460.26
	1.00% x whole years of service x earning subject to Social Security		1,419.00
	2.00% x whole years of service x excess earnings		280.56
Annual Pension Allowed:			1,699.56
Unreduced Pension:			141.63
Early Reduction Factor:	2.00% for each whole year and fraction that actual retirement precedes normal retirement		10.00%
Reduced Pension			\$1,529.64
Monthly Payment:			127.47

III. Regular Retirements (continued)

		<u>AMOUNT</u>		
<u>Wood, Diane</u>				
Employee # 782645 / 991177				
Union: CHPEA				
		Years	Months	Days
Term of Service (including Sick Exchange		15	0	0
Sick Exchange:		0	0	0
Grounds:	Vested Retirement			
Effective Date:	February 16, 2019			
Ending Annual Salary:				\$34,320.81
Average Salary:	Highest 2 out of last 5 years			38,225.82
Annual Pension Allowed:	30.00%			11,467.80
Monthly Payment:				955.65

IV. Terminated Vested – Request to Vest Benefits

The following request to vest benefits was approved by consent vote:

		<u>AMOUNT</u>		
<u>Levitz, Gretchen*</u>				
Employee # 424 / 991165				
Union: LOC82				
		Years	Months	Days
Term of Service (including Sick Exchange		9	0	0
Sick Exchange:		0	0	0
Grounds:	Vested Early			
Effective Date:	March 16, 2019			
Ending Annual Salary:				\$75,900.00
Average Salary:	Highest 3 out of last 5 years			76,763.93
Annual Pension Allowed:				
Unreduced Pension:	22.50%			\$17,271.84
Early Reduction Factor:	4.00% for each year prior to age 60			20.00%
Reduced Pension				\$13,817.52
Monthly Payment:				1,151.46

*Gretchen Levitz requested to vest her benefits but also to take an early retirement. We are asking the Pension Commission to approve both the terminated vested as well as the regular retirement for Gretchen Levitz.

V. QDRO Alternate Payee Benefits

The following QDRO was approved by consent vote:

457 Deferred Compensation

Shon, Unhong Salli

Alternate Payee of:	Shon, Peter	
Union:	HPU	
Grounds:	Alternate Payee	
Entered into Court Records:	August 27, 2018	
QDRO Approved:	March 22, 2019	
Benefit Assigned to Alternate Payee	<u>Percentage</u>	<u>Dollar Amount</u>
	50%	\$66,801.87

Comments: The Pension Unit has received a properly executed Qualified Domestic Relations Order (QDRO) relating to the above case.

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>
54496	Bosco, Mary	02/27/2019	1,142.45	MERF
85316	Callender, Robert	02/16/2019	2,501.47	MERF
163155	Dalponete, Lucille	2/06/2019	2,021.41	MERF
184535	Dempsey, John	02/26/2019	5,126.24	MERF
193682	Dibenedetto, Teresa	02/17/2019	787.60	MERF
391115	Keenan, Patrick	02/18/2019	1,479.53	MERF
453332	Lopez, Librada	02/06/2019	185.16	MERF
990050	MacDonald, Pamela	02/08/2019	1,120.67	MERF

VII. Request for Refunds of Pension Contributions

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

<u>NAME</u>	<u>AMOUNT</u>
Andoh, Marion	\$9,099.53
Ferreira, Doreen	4,001.69
Francis, Ashawna	5,661.71
Lugo, Johnny	23,241.49
Manning, Mark	56.24
Meleounis, Nikitas	41,736.77
Puhlick, Michelle	22,994.12
Soler-Velez, Yomarie	20,848.72
Stephens, Bertram	1,238.71
Zinzarella, Marianne	3,949.51

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 include interest.

VIII. Renewal of Fiduciary Liability Insurance

Commission Chair Stevens introduced the item and asked staff to report on the renewal of the fiduciary liability insurance. Principal Administrative Analyst, J. Sean Antoine, gave a report on the fiduciary liability insurance. He stated that the MERF's fiduciary liability insurance coverage went out for a request for proposals ("RFP") and there was only one response from Wentworth-Deangelis Insurance, a part of AIG. Mr. Antoine noted that Wentworth-Deangelis is the MERF's current provider and the current policy expires March 27, 2019. He further stated that the renewal policy costs \$59,400 for the premium and does not include cyber security coverage. Staff is exploring a separate standalone policy for cyber security but can piggy-back of the City's insurance policy as well. Mr. Antoine noted that the City's insurance policy for cyber security does not include a written disaster recovery plan. Deputy Chief Investment Officer, P. Wayne Moore stated that the MERF could tap into what the State of Connecticut is doing and that the MERF and the City needed a plan in place in the event of a ransomware attack. The Commission had questions in regards to liability in this situation and who would be contacted in the event of an incident? Employee Representative Nicholas Trigila offered to meet with staff to create protocols on what to do in an emergency situation. Discussion ensued.

A motion was made, seconded and adopted to authorize the Secretary to renew the contract with Wentworth-Deangelis by AIG for the Fiduciary Liability Insurance for the City of Hartford Municipal Employees' Retirement System.

IX. FY19-20 Budget Review

Commission Chair Stevens introduced the item and asked staff to report on the FY19-20 Budget Review. Secretary Cloud along with Mr. Antoine walked the commissioners through each line item of the revenue and expenditures of the FY19-20 budget. For the revenue portion, Mr. Antoine noted that the employer contributions are drawn from the valuation report from Hooker & Holcombe. The employee contributions have increased in this year's budget due to increased contributions that were negotiated in all of the City's unions collective bargaining contracts. The Sale of Long Term Assets line item was kept intact from last year's budget due to the timing of when the City will make their employer contributions to keep 2-3 months of reserves for pension payroll. On the expenditure's side, all investment software, custodian fees, and performance and analytics fees were locked in to their respective contracts. The investment management expenses decreased for this year due to terminations. The expenditure for legal services increased this year due to the Finneman Road project. Another increase was for the actuarial consultant. Mr. Antoine noted that the pension payroll payments to retirees increases every year by 3%. The salaries for staff has decreased from last year with the fringe benefits being 52.17% of the total. Professional/membership dues decreased as well. Lastly, there was an additional \$100,000 allocated to lease utilities to restructure the PAU space. Discussion ensued.

A motion was made, seconded and adopted to approve the FY19-20 MERF Budget with edits as discussed.

X. Other Business

• July 1, 2018 Actuarial Valuation Report for MERF

Secretary Cloud introduced Ellen Kucenski of Hooker & Holcombe, the MERF's actuary, to walk us through the July 1, 2018 MERF Actuarial Valuation Report. Ms. Kucenski reviewed the contribution requirement with the commissioners which was \$47.24 million for July 1, 2019 – June 30, 2020 fiscal year. This contribution requirement has been updated from last month's commission meeting preview.

Ms. Kucenski spoke on the plan changes that were reflected in the valuation. The valuation was updated to include the plan changes from the HMEA Arbitration award as well as MLA's (Municipal Lawyer's Association) collective bargaining agreement. The increases in employee pension contributions for these two unions, resulted in a \$135,000 decrease to the City's contribution. The City will continue to see savings in the coming years as both groups will increase employee contributions, an additional 1% each year. The net result is that the City's gross ADEC will be \$46.11 million and the net City

Pension Commission
Pension Administration Minutes
March 22, 2019

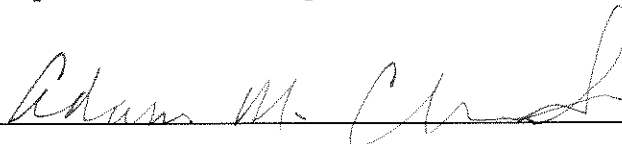
contribution to the ADEC will be \$39.73 million.

Ms. Kucenski also spoke on the new assumption changes that were reflected in the valuation. She noted that a new mortality rate scale was released at the end of 2018 which contributed to a \$400,000 reduction in the contribution and that the inflation assumption for future salary growth increased the contribution by \$1 million. Also, the decrease in the investment return assumption from 7.50% to 7.375% resulted in a \$2.19-million-dollar increase in the contribution. Looking forward to 2020, Ms. Kucenski projected that there would be an additional increase to contributions of \$2.2 million when the City's assumed rate of investment return is further reduced to 7.25%. She also noted that there was a new Mortality Study for Public Plans which was released by The Society of Actuaries this past January. She stated that it is very new so further analysis is required in order to determine the impact and how best to implement this table into the valuation.

A motion was made, seconded and adopted to approve the July 1, 2018 Actuarial Valuation Report for the MERF as presented.

There being no further business, Commission Member Goldman made a motion to adjourn the Pension Commission portion of the meeting at 11:24 a.m.

Attest:



Adam M. Cloud, Secretary