

POLICEMEN AND FIREMEN'S PENSION FUND BOARD

MINUTES

AUGUST 18, 2011

PLACE: Hall of Records
200 Orange Street
New Haven, Connecticut 06510

PRESENT: James Kottage, Fire Union Representative, and Chairman
Wendy Mongillo, Fire Commissioner
Frank Lombardi, Police Union Representative
Theodore Brooks, Police Commissioner
George Longyear, Fire Commissioner
Richard Epstein, Police Commissioner
Michael O'Neil, Acting Controller

ABSENT: Mayor John DeStefano, Jr.

ALSO PRESENT: Carol Chiappone, Benefits Auditor
Jerome Sagnella, Pension/Payroll Administrator
Larry Gray, Gray and Company

Chairman Kottage convened the meeting at 8:05 a.m.

1. APPROVAL OF MINUTES

Comm. Brooks made a motion to approve the minutes from the July meeting; Rep. Lombardi seconded, and the vote was unanimous

2. SERVICE CONNECTED DISABILITY/PREVIOUSLY APPROVED FOR AGE ANNUITY

A) Walker, Michael – Fire

Comm. Brooks made a motion to approve Mr. Walker's service connected disability based on the medical report. Rep. Lombardi seconded and the vote was unanimous.

B) Cross, Gregory - Fire

Comm. Epstein made a motion to deny Gregory Cross's service connected disability application based on the medical report; Comm. Mongillo seconded and vote was unanimous.

C) Malone, Edward – Fire

Comm. Longyear made a motion to approve Edward Malone for a service connected disability based on the medical report; Comm. Mongillo seconded and the vote was unanimous.

D) Stacy, James – Fire

Comm. Epstein made a motion to approve James Stacy for a service connected disability based on the medical report; Comm. Mongillo seconded and the vote was unanimous.

E) Perry, Randy – Fire

Comm. Epstein made a motion to approve Randy Perry for a service connected based on the medical report; Comm. Mongillo seconded and the vote was unanimous.

4. SERVICE CONNECTED DISABILITY/PREVIOUSLY TABLED

A) Gallicchio, Anthony - Fire

Comm. Epstein made a motion to approve Anthony Gallicchio for a service connected disability based on the medical report; Comm. Mongillo seconded and the vote was unanimous.

B) Ricks, Wayne – Fire

Rep. Lombardi made a motion to approve Wayne Ricks for a service connected disability based on the medical report; Comm. Mongillo seconded and the vote was unanimous.

4. AGE ANNUITY RETIREMENT – FOR INFORMATION ONLY

A) COYLE, KEVIN - FIRE

B) HADDAD, JOHATHAN - FIRE

5. DEATH AFTER RETIREMENT- FOR INFORMATON ONLY

A) O'CONNOR, FRANCIS - FIRE

This item was for information only.

6. PAYMENT OF BILLS

Comm. Brooks made a motion for the payment of bills; Comm. Mongillo seconded and the vote was unanimous.

7. ADMINISTRATIVE MATTERS

Mr. Sagnella stated that an individual applied for a service connected disability based on the premise of a psychiatric situation. Yale Occupational rendered an opinion and the trustees questioned the credentials of the individual rendering the opinion. Mr. Sagnella asked Yale Occupational if in fact this physician who examined this applicant is in fact a psychiatrist certified by the American Board of Psychiatry and Neurology and possessed any other psychiatric licensure prerequisites mandated by the State of Connecticut. The answer was no. Yale Occupational is having this individual examined by a certified psychiatrist.

Mr. Sagnella also stated that he contacted Yale Occupational on behalf of the board concerning reports that in their present form were not conclusively definitive but open ended and incomplete pending additional information. He notified Yale Occupational that a medical report not be submitted to the trustees until the consultants can render a final clear and unambiguous disability assessment without the need for further additional information.

Mr. Sagnella stated that he prepared a letter to Milberg LLP asking them if their firm can interact on behalf of the Police and Fire board to attempt to ascertain further information on the assets still held by Suoritus and to determine what problem prevents full asset liquidation. Mr. Sagnella stated that Mr. Gray will be working with Milberg to complete the process.

Rep. Kottage asked Michael O'Neil what the exact contribution to the Police and Fireman Fund was. Mr. O'Neil responded that the first payment was made the first week of August in the amount of \$11.5 million. He added that the second payment has not yet been made and the reason for that is because in the current year's budget for the City there is a provision for concessions for the various unions. Most union contracts are currently in negotiations or are in arbitration. The reason for delaying that payment was because some part of that money there is an assumption that there would be concessions from some of the union on pension provisions which might impact the ARC. Mr. O'Neil stated that the City decided to hold off on making the second payment momentarily. The City is in the process right now on how to make the second payment. The City is committed to make it in full.

Rep. Lombardi stated he feels the Fund could lose money without this payment. He asked how soon the Fund would be getting the second payment. Mr. O'Neil stated that he did not know but believes it will be within the next month.

Tim Ryor, the Fund's actuary stated that they would not go back and redo the arc unless there was some material change in plan provision. He believes there would have to be substantial changes to the plan for existing members to warrant a recalculation of the ARC. Rep. Lombardi asked if he was asked to examine the ARC in light of the 18 firefighters who are getting an enhanced benefit and how is it going to be funded. Mr. Ryor stated that he was asked for a calculation related to those benefits. Mr. Lombardi asked how it would effect the funded

ratio and would the Board see the impact on the Fund. Mr. Ryor responded yes, once the final provisions are adopted for those firefighters. Mr. O'Neill stated that at some point this information will be available.

Mr. Lombardi requested a report showing what extra duty contributions are going into the Fund each month.

8. INVESTMENT REPORT

Mr. Gray stated that it has been a difficult year. The value of the fund as of June 30, 2011 was \$282,406 and as of July 31 it was \$278 million. The plan return was -0.08% for the second quarter 2011 versus the policy benchmark return of 1.07%. It has been volatile year. Under all periods measured the Fund was below the policy benchmark. The Fund ex-alternative was slightly above the policy benchmark.

Overall Mr. Gray stated that the managers did not perform well. On the fixed income side the numbers were good. All the credit is given to Loomis Sayles. Israel Bond was a good investment.

Mr. Gray stated that mid cap investment has been a problem and a weakness in the small cap. On the international side there were volatile returns.

Mr. Gray asked that the manager round table with Board members be during the October 20, 2011 meeting held at the OMNI hotel.

The next regular meeting has been scheduled for September 15, 2011 at 8:00 a.m. in the Controller's Conference Room.

The meeting adjourned at 8:50 a.m. on a motion made by Comm. Brooks and seconded by Comm. Mongillo.

ATTEST:

Michael O'Neil, Acting Clerk