

**NEW HAVEN CITY EMPLOYEES RETIREMENT FUND (CERF)
SPECIAL MEETING MINUTES
JANUARY 26, 2021 8:00 A.M.
VIRTUAL MEETING**

Dial in Numbers: US: +1 929 205 6099 or +1 301 715 8592

Password: 40015317

Meeting ID: 980 7677 5624

Meeting URL: <https://newhavenct.zoom.us/j/91231533905?pwd=VzJrRk1GTnJ1SHFsbXJkaUhHMFpHUT09&from=addon>

Meeting ID: 980 7677 5624

Password: DY2PU86L

TRUSTEES PRESENT: Justin Elicker, Mayor, Trustee
Jerome Sagnella, Trustee
Cathy Graves, Trustee
Michael Gormany, Acting Controller, Trustee
Susan Whetstone, Trustee
Mark Pietrosimone, Trustee

TRUSTEES ABSENT: Mario Zangari, Trustee

ALSO PRESENT: Leanna Ambersley, Pension Administrator
Taylor Cannon, Payroll/Benefit Auditor
Eva Crabtree, Payroll/Benefit Auditor
Carolyn Kone, Fund Counsel, Brenner, Saltzman & Wallman
Rich Sych, Hooker & Holcombe
Dan McCarthy, Hooker & Holcombe
David Mendel, Hooker & Holcombe
Derek Ciampini, Raymond James, Fund Financial Consultant
Wendy Coppola, Raymond James, Fund Financial Consultant
Dave Moran, Raymond James, Fund Financial Consultant
Ron Vaill, Raymond James
Pat Cannon, NH Firefighter, P&F Trustee

Trustee Sagnella commences the meeting at 8:03 a.m.

ITEM 1: PLAN AMENDMENT

A. DISCUSS THE H&H 2020 EXPERIENCE STUDY TO ESTABLISH THE INVESTMENT RATE OF RETURN AND TO ESTABLISH THE ACTUARILY DETERMINED EMPLOYER CONTRIBUTION

Rich Sych and Dan McCarthy from Hooker and Holcombe give background on the evaluation process and why the assumptions are important. Data is updated, plan is programmed into evaluation system, they project every person out to retirement and then eventually death, it projects cash flows out to the future, take into account probability of mortality. Same process for active employees, possibility of salary increases, death, estimate retirement benefit, and project that until the individual passes away. Cash flows typically go out for 100 years. The next step is to take the cash flows and discount them back to today, using the investment return assumption. That discounting is what generates the accrued liability. Every 5 years, there is an experience study that looks at what the assumptions are and compare that to what has happened, and want to make sure they are in alignment, and suggest adjustments. Those assumptions change the future benefits they are proposing. The recommendations

H&H has on any changes in assumptions produce a liability that is \$474mil, 10.6mill higher. Investment Return Assumption is the most important; work with the investment advisor, what is an expected long-term rate of return on the assets. Currently get 7.75%, also did it with 7% investment return. Payroll Increase Assumption: for the calculation of the ADEC, there is an assumption it will increase by 2% every single year. H&H recommends lowering the increase down from 2% to 1%. This will increase the ADEC calculation by about \$1.9mil.

MOTION: Made by Trustee Elicker to continue the item

MOTION SECONDED: by Trustee Pietrosimone

MOTION CARRIED: by unanimous vote

B. WAIVER OF POTENTIAL CONFLICT OF INTEREST TO PERMIT BRENNER, SALTZMAN & WALLMAN LLP TO REPRESENT CERF IN THE NEGOTIATION OF AN ENGAGEMENT LETTER WITH MARCUM LLP TO PROVIDE SERVICES FOR THE ELECTION OF MEMBER TRUSTEES

MOTION: Made by Trustee Pietrosimone to waive the conflict

MOTION SECONDED: by Trustee Graves

MOTION CARRIED: by unanimous vote

ITEM 2: ADJOURNMENT:

MOTION: Made by Trustee Graves

MOTION SECONDED: by Trustee Pietrosimone

MOTION CARRIED: by unanimous vote.

The meeting adjourned at 9:23 A.M.

ATTEST:

Michael Gormany, Acting Controller, CERF Trustee