

NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND

**Martin Gaal
Board President**

**Tammy F. Meagher, III.
Secretary-Treasurer**

SUBJECT:

**Board of Trustees Regular Meeting
Fire Fighter's Pension & Relief Fund**

TIME, DATE AND PLACE:

**9 am, December 9, 2013
3520 General DeGaulle
Suite 3001
New Orleans, Louisiana 70130**

Board President Martin Gaal called the meeting to order. The following members of the Board of Trustees were present: Martin Gaal, Tommy Meagher, Angelo Marchese, Nick Lavene, Seatt Jacobs and Narman Foster.

Absent: Tim McConnell

Total as follows: Six (6) members present, one (1) member absent. A quorum being present, the meeting was called to order at 9:04.

Also present,

**Louis Rabein, Board attorney
Pam Meyer
Paul Mitchell
Richard Conaors, Firefighter
Kenny Prevost, Firefighter
Jesse Evans, NOMERS
Richard Hampton, Firefighter
Nick Feltan, Firefighter**

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Gaal and seconded by Jacobs to approve the November 2013 minutes.

Motion passed.

NO OBJECTIONS

Mr. Mitchell noted that the April 11, 2013 minutes should properly reflect that Mr. Ballier applied for a 66 2/3% Service Connected Disability.

MOTION: Moved by Meagher and seconded by Lavene to adjust the April 11, 2013 minutes to reflect that Mr. Ballier applied for a 66 2/3% Service Connected Disability.

Motion passed.

NO OBJECTIONS

COMMUNICATIONS

Mr. Meagher noted that Mr. Robert Tacza is hosting a Holiday Party tonight. LATEC's annual Holiday party is Wednesday night at Tommy's.

REFUND OF CONTRIBUTIONS

None

CHANGE OF BENEFICIARY

Ralph Neagle, Jr., Sterling J. Beaulieu, III, and Roy Simmons, Jr. have requested a change of beneficiary.

DROP WITHDRAWAL

Mr. Castadera McGee is requesting a DRDP withdrawal.

NEW APPLICATIONS

MOTION: Moved by Gaal and seconded by Marchese to go into executive session to review medical documentation and reserve privacy rights to members for Service Connected Disability Pension applications.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Lavene and seconded by Jacobs to come out of executive session to review medical documentation and reserve privacy rights to members for Service Connected Disability Pension applications.

Motion passed.

NO OBJECTIONS

Adam Pommier: New Fund Fire Operator, Age 54 with 19 years of service is submitting an application for a Regular Service Pension retroactive to November 10, 2013.

MOTION: Moved by Lavene and seconded by Marchese to approve a Regular Service Pension effective November 10, 2013.

Motion passed.

NO OBJECTIONS

Castadera McGee: New Fund Fire Captain, Age 60 with 37 years of service is submitting an application for a Non- Service Connected Disability Pension effective December 9, 2013.

MOTION: Moved by Gaal and seconded by Marchese to approve a Non- Service Connected Disability Pension effective December 9, 2013.

Motion passed.

NO OBJECTIONS

DROP APPLICATIONS:

Abdul M. Shaheed: New Fund Fire fighter Age 58 with 13 years of service applying for DROP effective January 1, 2014.

MOTION: Moved by Lavene and seconded by Jacobs to approve the DROP application of Mr. Shaheed effective January 1, 2014.

Motion passed.

NO OBJECTIONS

Stanley W. Reed: New Fund Firefighter, age 57 with 15 years of service applying for DRDP effective retroactive to December 1, 2013.

MOTION: Moved by Gaol and seconded by Lavene to approve the DROP application of Mr. Reed effective retroactive to December 1, 2013.

Ronald J. Castille: New Fund Fire operator, age 55 with 13 years of service applying for DROP effective retroactive to December 1, 2013.

MOTION: Moved by Jacobs and seconded by Lavene to approve the DROP application of Mr. Reed effective retroactive to December 1, 2013.

REPORTS OF DEATHS

Pensioners:

Wilson Ledet: Died on October 29, 2013 at age 73 with widow and no minor children. Joined the department on December 21, 1964 and retired with 16 years of service on October 17, 1981. He spent 32 years on pension.

Edward P Brunet: Died on November 14, 2013 at age 75 with widow and no minor children. Joined the department on July 11, 1967 and retired on July 1, 1978 with 11 years of service. He spent 35 years on pension.

William Kerner, Jr.: Died on November 29, 2013 at age 78 with widow and no minor children. Joined the department on September 2, 1961 and retired on September 2, 1986 with 25 years of service. He spent 27 years on pension.

Widow:

Annie D. Buisson: Died at age 76 on October 24, 2013. Benefits began on February 1, 2006.

MOTION: Moved by Gaal and seconded by Marchese to remove the above noted deceased members and beneficiaries from the rolls.

Motion passed.

NO OBJECTIONS

WIDOW'S APPLICATIONS

Mrs. Arthur Hosli: Application for a Line of Duty Widow's benefit effective retroactive to November 1, 2013.

MOTION: Moved by Lavene and seconded by Marchese to approve the application of Mrs. Hosli effective November 1, 2013.

Motion passed.

NO OBJECTIONS

Mrs. Wilson Ledet: Application for a Line of Duty Widow's benefit effective retroactive to November 1, 2013.

MOTION: Moved by Lavene and seconded by Gaal to approve the application of Mrs. Ledet effective November 1, 2013.

Motion passed.

NO OBJECTIONS

APPLICATIONS PENDING

Mr. Gary Ballier has an appeal pending for a 66 2/3% disability pension. He presented additional medical documentation stating he will not be able to hold any meaningful or gainful employment in order to be eligible for the 66 2/3 disability. We are currently reviewing that documentation and would like to defer this matter until the review is complete.

MOTION: Moved by Gaal and seconded by Marchese to defer action on this request until the January Board meeting.

Motion passed.

NO OBJECTIONS

OLD BUSINESS

Fletcher: On November 25, 2013 Mr. Richard Davis, Chapter 11 Trustee of the State of New York Bankruptcy Court released his Trustee's Report and Disclosure Statement regarding Fletcher. This 300 page document details his findings following his investigation of the Fletcher investment. All board members were provided a copy of the report via email. The report noted that Fletcher's investment strategy of hedged structured investments in quality mid-sized companies through direct investments, structured transactions and market hedges was not adhered to. Mr. Davis' report notes that the "Fonds were victims of a fraud defined by the extensive use of wildly inflated valuations, the existence of fictitious assets under management numbers, the improper payment of excessive fees, the misuse of investor money, and efforts to wrongly deny the Louisiana Pension Funds a key benefit of their investment agreement—mandatory redemption of their investment under certain circumstances. The Funds were also victims of an environment where self-interest all too often trumped fiduciary obligations." It can be concluded from the report that most of the people with the responsibility to protect the Louisiana Funds were engaged in wrong doing. Phil Pries, Baton Rouge attorney has been engaged to address Fund claims against those service providers whose actions or lack thereof may have attributed to Fund losses in the Fletcher investment.

NEW BUSINESS:

Board meeting date change: Mr. Meagher noted that meeting dates for the January Regular Board and Investment Board meetings will be January 7, and 9 respectively.

Personnel Committee: Mr. Meagher noted that the Personnel Committee at its last meeting recommended the following. He is requesting Board approval of the following motions.

MOTION: Moved by Meagher and seconded by Gaal to hire Paul Mitchell as permanent employee at a salary discussed effective December 1, 2013. Mr. Mitchell will have 3 years' service as of December 31, 2013 and be credited with 5 days annual leave earned on December 1, 2013.

Motion passed.

NO OBJECTIONS

Mr. Meagher noted that Ms. Kehoe's role with the Fund is that of a Benefits administrator in addition to the function she serves as a receptionist. She is responsible for maintenance of benefit rolls, production of monthly payrolls and all Fund mail outs, among other things. Members of the personnel committee reviewed her job responsibilities and concluded that a salary adjustment commensurate with her responsibilities was appropriate.

MOTION: Moved by Meagher and seconded by Gaal to provide a 4% merit increase on annual gross pay to Teresa Kehoe.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Gaal to approve the cash out of annual and sick leave above 10 day minimum by staff.

Motion passed.

NO OBJECTIONS

Negotiations with the City: Second meeting is scheduled for December 23, 2013 at 2:00 pm.

John Underwood: We have discussed Mr. Underwood payments with the Finance Department personnel and determined that his contributions should have been \$9,283.50, resulting in a refund of \$124.50.

MOTION: Moved by Marehese and seconded by Jacobs to refund Mr. Underwood \$124.50 related to the overpayment of employee contributions.

Motion passed.

NO OBJECTIONS

Budget: Pension fund Budget will be moved to the Investment Board agenda.

OIG Update: Mr. Mitchell noted that the OIG has issued a preliminary report which is being reviewed by the staff and discussed with the audit team.

LEGAL:

Quorum: Mr. Robcin noted that our current regulations provide for a quorum of five Board members to conduct business. Recent legislation has reduced the Board from ten to seven members and requires approval of COLAs and disabilities by a super majority of votes. He noted that the Board should consider adjusting the current regulations to provide for a new quorum. Discussion followed on the various differences between our regulations and legislation and the appropriate action needed to address the quorum issue. Mr. Foster noted that it may be a good time to review all regulations and correct all differences between our regulations and current legislation during this review rather than fix just the quorum issue.

MOTION: moved by Gaal and seconded by Meagher to have the Robcin Law firm review all regulations and recommend the appropriate changes after the current Legislative session.

Motion passed.

NO OBJECTIONS

Mandamus litigation: Mandamus Suit/Reconventional Demands “NOFF Pension and Relief Fund v City of New Orleans et al”, CDC No. 2012-7061

With respect to the Mandamus Suit he expects that a decision will occur before the end of the year from the Louisiana Court of Appeals.

Longevity litigation: “New Orleans Firefighters et al v City of New Orleans”, CDC No. 81-11108.

Mr. Robein provided the Board with an update on the longevity litigation. He noted that the City is reviewing calculations provided by his firm and the Fund. He expects to meet with the Judge once the City’s review is complete.

MOTION: Moved by Gaal and seconded by Lavene to go into executive session to discuss matters relating to Longevity.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Gaal and seconded by Lavene to end the executive session to discuss the Longevity litigation.

Motion passed.

NO OBJECTIONS

IRS letter of Determination: Mr. Robein noted that his office received a favorable determination letter from the IRS. The letter is conditional on passing certain amendments to existing laws regarding interest earnings on DROP and PLOP balances. The IRS would like benefit payments to be definitely determinable for post DROP interest earnings. The IRS has recommended a smoothing period of 5 years, net of an administrative fee not to exceed 2%. Discussion followed on the legislative process to get the proposed amendments passed through the legislature. Mr. Robein noted that the Fund would have to begin the process quickly, starting with advertising in the local newspapers. Drafting of the bill and getting a legislative sponsor was also discussed.

MOTION: Motion by Gaal and seconded by Meagher to allow the Robein law firm to move forward with the proposed changes to the Plan documents to satisfy IRS requirements for a favorable tax determination.

Motion passed.

NO OBJECTIONS

Local Legislation: Mr. Robein noted that Walter Legier, New Orleans legislator, has proposed changes to all pension plans and related laws which revised terminology for persons with disabilities. The changes, when adopted in the next legislative session, are to have no substantive effect on the interpretation of the current laws. Mr. Robein reviewed samples of the typical changes being proposed, noting that they were deemed to be stylistic in nature. He is seeking approval to respond to the legislative staff regarding the effect of the proposed changes.

MOTION: Moved by Meagher and seconded by Gaal to authorize the Robein Law firm to work with the Legislative staff on the proposed changes by Mr. Legier.

Motion passed.

NO OBJECTIONS

TIMELY FILING OF APPLICATIONS:

All Members applying for Pension, DROP or PLOP must do so 45 days in advance of the scheduled retirement date. All medical documentation for disability applications must be in the administrative office 45 days prior to the scheduled retirement date. Failure to comply with the Fund's rules will cause a delay in the Board taking action and will probably force an extension beyond the member's desired retirement date.

The administrative office will continue to process all paperwork in a friendly, orderly, and timely fashion. We thank all applying members for their continued cooperation. This will enable the Administrative Office and the Board of Trustees to perform their jobs more efficiently.

Members who have recently changed their address or marital status and have not updated their beneficiary form should do so at this time. Please contact the Pension Office during the hours of 10:00 am to 2:00 pm for beneficiary verifications. Your cooperation is appreciated.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:30 pm. The next regular meeting of the Board of Trustees is January 7, 2014.

APPROVED:  DATE: 2/2/14