

NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND

Martin Gaal
Board President

Tommy F. Meagher, III.
Secretary-Treasurer

SUBJECT:

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

TIME, DATE AND PLACE:

**August 6, 2014
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, Nick Lavene, Angelo Marchese and Norman Foster.

**Tim McConnell arrived after roll call.
Scott Jacobs has resigned from the Board.**

Total as follows: Five (5) members present, one (1) member absent. A quorum being present, the meeting was called to order at 9:06 am. Mr. Meagher opened the meeting with a pledge of allegiance and a moment of silence for fallen firefighters.

Also present,

**Pam Meyer
Louis Robein, Board attorney
Paul Mitchell
Kenny Prevost, firefighter
Richard Connors, firefighter
Nick Felton, firefighter
Derrick Francis, Mayor's office
Jesse Evans, NOMERS
Michelle Cunningham, DHHM
Bill Stamm, DHHM
Mike Conefry, Actuary**

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Marchese and seconded by Gaal to approve the minutes for the July 2014 meeting.

Motion passed.

NO OBJECTIONS

COMMUNICATIONS

Garry Montequé: Expressed thanks to the Board members and staff for their prayers and support of his family during his wife's surgery.

REFUND OF CONTRIBUTIONS

Kolby Madary: Move for approval of refund made to Mr. Madary on Nov. 12, 2012.

MOTION: Moved by Lavene and seconded by Meagher to approve the refund of contributions to Mr. Madary. Motion passed.

NO OBJECTIONS

CHANGE OF BENEFICIARY

Roy Woodruff, Jr., Orson Adams, Earl A. Vallery, Jr., Henry P. Bentel, Jr. and Thomas Lightfoot have requested changes to their beneficiary forms.

DROP WITHDRAWAL

None

MOTION: Moved by Meagher 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 Meagher and seconded by Marchese 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

NEW APPLICATIONS:

None

DROP APPLICATIONS:

None

REPORTS OF DEATHS

Pensioners:

None

Widows and dependents:

Mrs. Selma Schmidt: Died on July 12, 2014 at age of 95. Benefits began on August 1, 2002.

Mr. Donald E. Lapara, Jr.: Died on July 10, 2014 at age 59. Was a dependent child whose benefits began on January 1, 2004.

MOTION: Moved by Gaal and seconded by Lavene to remove the above noted widow and dependent from the pension rolls.

Motion passed.

NO OBJECTIONS

WIDOW'S APPLICATIONS

Mrs. Margarita Linn (Louis): Application for a Line of Duty Widow's Benefit retroactive to June 1, 2014.

MOTION: Moved by Meagher and seconded by Marchese to approve the Line of Duty Widow's Benefit for Mrs. Linn retroactive to June 1, 2014.

Motion passed.

NO OBJECTIONS

Mrs. Karen O'Neill: Application for a pre-retirement widow's benefit (66 2/3% or 50%) effective retroactive to December 11, 2013. Mrs. O'Neill is widow of active firefighter with 22 years of service who died on duty from a heart attack. Tim McConnell entered the meeting.

MOTION: Moved by Meagher and seconded by Gaal to approve the 50% pre-retirement Widow's benefit for Mrs. O'Neill retroactive to December 11, 2013 and deny the 66 2/3% benefit. Member has right to appeal the decision on the 66 2/3 denial.

Motion passed.

NO OBJECTIONS

APPLICATIONS PENDING

Autrey Plaisance

- transferred time from NOMERS. Because of the transfer, Mr. Plaisance is entitled to a refund of employee contributions.

MOTION: Moved by Meagher and seconded by Gaal to approve the refund of contributions for Mr. Plaisance. Motion passed. **NO OBJECTIONS**

OLD BUSINESS:

None

NEW BUSINESS:

LAPERS conference: The LAPERS conference will be held from September 7-10, 2014 at the Marriott in downtown New Orleans.

NCPERS conference: NCPERS will host a public safety conference in New Orleans during October 2014.

Board members discussed attending the conferences and educational benefits.

MOTION: Moved by Meagher and seconded by Marchese to approve attendance for Board members and staff to the LAPERS and NCPERS conferences in New Orleans. Members and staff are to contact Peggy regarding attendance. Motion passed. **NO OBJECTIONS**

Fiduciary insurance: The Fund's Fiduciary insurance carrier requires that a \$25 premium be paid by Board members or party other than the Fund. Local 632 made the premium payment for all Board members except Norman Foster. Foster also reimbursed Local 632 for premium payments made in prior years.

Report from System Auditors: Michelle Cunningham, partner and Bill Stamm, partner, from the Duplantier accounting firm were on hand to present the 2013 Audit report to the Board and address questions. The report contained an unqualified opinion. The financial statements reflected over \$40 million in write downs of investments assets and a reduction in total assets of an additional \$18 million used primarily to cover benefit payments, expenses and DROP and PLOP withdrawals. The auditor's opinion contained a comment regarding the liquidity of the Fund's assets and its potential impact on future cash flows. Discussion and questions followed as the report was reviewed and particularly on specifics financial statement note disclosures.

Report from System Actuary: Mike Conefry was on hand to present the Board with the 2013 actuarial reports for the Old and New Systems. Conefry reviewed the report with the Board. Conefry noted that supplemental schedules listing firefighters receiving a disability retirement reflect only firefighters who are on disability and whose benefits are calculated using a disability pension benefit calculation. Previous reports included all firefighters who retired as disabled and did not distinguish retirements based on benefit calculation methods. Mr. Conefry noted that most firefighters retire using regular retirement benefit calculations even though some firefighters receive a disability retirement designation. Firefighters retiring using regular retirement benefit calculations do not add additional pension benefit expense to the fund because of the disability designation. Therefore, Mr. Conefry explained the old schedule was misleading. Discussion followed on the supplemental information in the New System report.

LEGAL:

MOTION: Moved by Meagher and seconded by Marchese to go into executive session to discuss strategy and negotiations with respect to actual litigation and legislation.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Marchese to come out of executive session entered into to discuss strategy and negotiations with respect to actual litigation and legislation.

Motion passed.

NO OBJECTIONS

Mischler et al v State of Louisiana et al: Mr. Robein noted that at the hearing before Judge Kelly, the Louisiana Attorney General successfully argued that the Governor, Legislators and Treasurer should be excluded from the suit. His motion for change in venue from Baton Rouge Parish to Orleans Parish was also successful. Mr. Robein then discussed the timing of the plaintiff's challenge which was uncertain at this time.

Longevity Litigation: A hearing before Judge Kern Reese is scheduled for July 25, 2014 at 11:00 am. It will address the back pay entitlements under the judgment. The pension liabilities are to be addressed later.

First America Asia: A Motion to dismiss hearing on this bankruptcy issue is scheduled for September 2014.

Funding Mandamus: The Administration was informed by the Judge at the last hearing that the entire mandamus amount of \$17,500,000 is due and payable. The Administration noted through legal counsel that it is the City Council's responsibility to budget additional funding. Council President Stacy Head indicated that the City Council will appropriate an additional \$2 million. The next court hearing is scheduled for September 3, 2014.

Rollover Application Form: Discussion followed on the changes to the application form. Members elected not to approve the revised form at this time.

MOTION: Moved by Gaal and seconded by Foster to mandate, effective August 6, 2014, that a vote of two-thirds of the board of Trustees be required to adopt, approve, ratify, rescind, modify or otherwise act upon any matter relating to the investment of Fund assets as authorized by LA R.S. 11:3070, including, but not limited to decision making on the Fund's investment goals, objectives and strategies; decision making on strategies for managing investment risks; determination of risk tolerance and risk attributes for each Fund asset under investment management; the establishment and maintenance of an asset-allocation policy; delegation of fiduciary responsibility to investment managers and consultants; and investment monitoring and reporting; and further that this motion be published as a resolution of the Board of Trustees subject to amendment or modification only by two-thirds vote of the Board of Trustees.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Gaal and seconded by Meagher to change the Fund's actuarial valuation method from the Aggregate Level Cost Method to the Individual Entry Age Normal Cost Method with Level Dollar, Open Amortization of the Unfunded Actuarial Liability over 30 years, and further to change the smoothing period in the Asset Valuation Method from 3 years to 7 years.

Motion Passed

NO OBJECTIONS

TIMELY FILING OF APPLICATIONS:

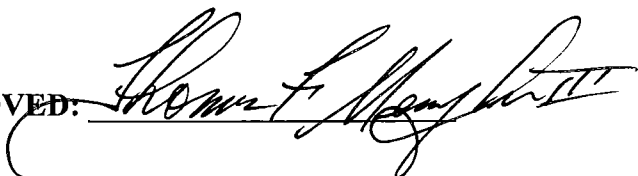
All Members applying for Pension, DROP or PLOP must do so 45 days in advance of the scheduled retirement date. All medical documentation for disability applications must be in the administrative office 45 days prior to the scheduled retirement date. Failure to comply with the Fund's rules will cause 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 September 10, 2014.

APPROVED:  DATE: 9/24/14