

NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND

**Martin Gaal
Board President**

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

SUBJECT:

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

TIME, DATE AND PLACE:

**May 13, 2015
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, Thomas Meagher, Angelo Marchese, Tim McConnell, Nick Lavene and Norman Foster.

Total as follows: Six (6) members present, one vacancy. A quorum being present, the meeting was called to order at 11:00 am.

Also present,

**Pam Meyer
Louis Robein, Board attorney
Paul Mitchell
Kenny Prevost, firefighter
Chip Moore, firefighter
Derrick Francis, mayor's office
Robert McClendon, NOLA.com**

COMMUNICATIONS

Thank you card received from the Klumpp family

REVIEW AND ACCEPT MINUTES

Mr. Meagher moved for discussion of the April Board minutes. McConnell noted some adjustments were necessary. The adjustments were discussed and will be posted.

MOTION: Moved by Gaal and seconded by Meagher to approve the April minutes subject to adjustments noted.

Motion passed.

NO OBJECTIONS

REFUND OF CONTRIBUTIONS

Matthew Meyers is seeking a refund of his contributions.

MOTION: Moved by Marchese and seconded by Gaal to approve the refund of contributions to Mr. Meyers.

Motion passed.

NO OBJECTIONS

CHANGE OF BENEFICIARY

Claude S. Sander, Jr. and Roman Nelson have requested changes to their beneficiary forms.

McConnell noted that his office has contacted, via email, active members who do not have a completed beneficiary form on file (approximately 120 employees). Meyer noted that the office has received only a few calls for additional beneficiary forms.

DROP WITHDRAWAL

None

NEW APPLICATIONS:

Raymel O Poche', Sr. Application for a regular service pension effective retroactive to March 25, 2015.

Members reviewed the benefit calculation. Discussion followed.

MOTION: Moved by Foster and seconded by McConnell to approve a retirement benefit calculated at 2 ½% for all years of service (14.8419 years) pursuant to R.S. 11:3384.

Motion failed. Meagher, Marchese, Lavene and Gaal vote against the motion. McConnell and Foster voted for the motion.

MOTION: Moved by Meagher and seconded by Gaal to approve a retirement benefit calculated in accordance with the benefit calculation provided in the booklet and as

historically applied by the Board which amounted to 2 ½% for the first 12 years of service and 3 1/3% for the remaining years of service.

Motion passed. Meagher, Marchese, Lavene and Gaal voted for the motion. McConnell and Foster voted against the motion.

Prior to a vote on Mr. Meagher's motion, Mr. Foster questioned if Mr. Robein's 2008 opinion letter addressed a regular retirement. Mr. Foster's position was that the letter did not address a regular retirement. Mr. Foster noted the 2008 memo only addressed 30 year retirements. This position was supported by Mr. McConnell. Mr. Robein noted the letter addresses the Board's continued interpretation of statutes, statutory changes and addresses the doctrine of contemporaneous construction as well as the current and prior practice of the Board. Mr. Robein noted that the letter did not advise the Board on how to calculate a benefit retirement. Mr. Foster felt the motion by Mr. Meagher did not follow the statute with respect to benefit calculation.

DROP APPLICATIONS:

None

REPORTS OF DEATHS

Pensioners:

None

Widow:

Mrs. Marguerite S. Parkhurst: Mrs. Parkhurst passed away on April 3, 2015 at age 93. Her benefits began February 2001.

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

Motion passed.

NO OBJECTIONS

WIDOW'S APPLICATIONS

Meyer noted that there were matters requiring legal discussion regarding a beneficiary of Corey Smith.

MOTION: Moved by Meagher and seconded by Lavene to go into executive session to

review medical documentation for widow's applications and reserve privacy rights to members for Service Connected Disability Pension applications and pending applications. Motion passed. NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Marchese to come out of executive session to review medical documentation for widow's applications and reserve privacy rights to members for Service Connected Disability Pension applications and pending applications. Motion passed. NO OBJECTIONS

Board staff will contact the parent of the beneficiary to obtain a birth certificate or other necessary documents. Mr. Robein will assist the family in procuring the necessary legal documents.

MOTION: Moved by Meagher and seconded by Gaal to approve beneficiary payments pending receipt of the appropriate birth certificate or other necessary documents. Motion passed. NO OBJECTION

APPLICATIONS PENDING

None

OLD BUSINESS:

None

NEW BUSINESS:

Approval of Louisiana Compliance Questionnaire:

This annual audit questionnaire from the Legislative Auditor requires signature and approval of the Secretary Treasurer.

MOTION: Moved by Meagher and seconded by Foster to approve and authorize Mr. Meagher to complete the annual compliance questionnaire. Motion passed. NO OBJECTIONS

Meagher noted that annual Board member Ethics disclosure forms are due this month. McConnell noted that he will forward his reporting form directly to the Ethics Commission.

Board elections: Mr. Mitchell reminded the Board that terms of elected members end during August of 2015. Discussion followed on election procedures, election statutes, filing of nomination forms, and election dates. Notice of elections will be mailed out to retired members beginning with this month's benefit payment, posted to the Fund's website and fire department

website. Foster raised questions on whether all members can vote for active and retired candidates. Mr. Robein advised that the statute has been historically interpreted and applied in this manner and was reasonable. Discussion followed.

Members were encouraged to review the election package and provide feedback.

MOTION: Moved by McConnell and seconded by Meagher to adopt the nomination period July 20-24, 2015 and approval of mailing of the election notice.

Motion passed.

NO OBJECTIONS

Expense Committee: Items for the 4th quarter 2014 and 1st quarter 2015 were reviewed at the meeting. Mitchell provided a schedule of expenses for the respective quarters and supporting documentation for all expenditures. Expenditures were reviewed for propriety and completeness of vouchers. No exceptions were noted.

MOTION: Moved by Foster and seconded by Meagher to note that the expenses have been reviewed and no exceptions are noted.

Motion passed.

NO OBJECTIONS

Foster requested that a budget and cash flow analysis be prepared for the next monthly meeting.

Travel and expense policy amendment:

Foster proposed that all vendors or potential vendors of the Fund be requested to follow the financial disclosure requirements of RS 42:1114.2 that apply to state or statewide public retirement systems. Foster noted that his research indicated that some vendors are following the practice anyway. Discussion followed.

MOTION: Moved by Foster and seconded by McConnell to add to section 2 of the travel policy a requirement that all vendors or potential vendors of the Fund be requested to follow the financial disclosure requirements of RS 42:1114.2 that apply to state or statewide public retirement systems, using the method specified in RS 42:1114.2F, beginning with calendar year 2015.

Motion failed. McConnell, Lavene and Foster voted for the motion. Meagher, Marchese and Gaal voted against the motion.

MOTION: Moved by Foster and Seconded by McConnell to add to section 2 of the Fund's travel policy a requirement that Trustees report to the Board all meals and gratuities of \$10.00 or more received from vendors or potential vendors beginning July 1, 2015.

Motion failed. McConnell, Lavene and Foster voted for the motion. Meagher, Marchese, and Gaal voted against the motion.

Vendor confirmation statement:

Foster prepared a confirmation which requests that vendors respond to various questions regarding whether any vendor compensated any Board member or related party in connection with efforts to obtain business from the fund. Foster is seeking Board approval to request a response from vendors and managers of the Fund. Discussion followed.

MOTION: Moved by Foster and seconded by McConnell to request a response from vendors and managers of the Fund as follows:

The Board of Directors of the New Orleans Fire Fighters Pension and Relief Fund request that you respond to the following questions with respect to any contracts you had or sought from the Fund for the period of January 1, 2006 to December 31, 2014. We would appreciate your response by July 1, 2015.

1. NAME [Enter name of vendor or manager] has not employed or contracted with, and will not employ or contract with, either directly or indirectly, any person to secure the public contract under which he or she has received or is to receive payment, other than persons regularly employed by NAME whose services in connection with the project or in securing the public contract were or are in the regular course of their duties for NAME; except:

[Please state any such payments, the relevant contract, the recipient, amount and approximate date; or state "None"].

2. No part of the contract price, or compensation paid or to be paid pursuant to the contract, has been paid or will be paid to any person for soliciting or securing the contract, other than the payment of normal compensation to persons regularly employed by NAME whose services are in the regular course of their duties for NAME; except:

[Please state any such payments, the relevant contract, the recipient, amount and approximate date; or state "None"].

Motion failed. McConnell and Foster voted for the motion. Meagher, Lavene, Gaal and Marchese voted against the motion.

LEGAL:

City of New Orleans et al v NOFF Pension Fund et al, NO 2015-4138, Div. M. Civil District Court Orleans Parish (Petition for Declaratory Judgment/Old Fund Reserves)

Board members have been served. The City seeks to "offset" excess reserves in the Old Fund against the ARC. Suit has been filed in CDC. Extension requested. Action seeks a credit to

New Fund for Old Fund reserve amounts. Allegations do not give rise to a reporting to Fiduciary carrier.

Firefighters Retirement System et al v CITGO Group Ltd et al, No 61960, Section 25 19th Judicial District Court EBR Parish (Petition of City of New Orleans to intervene to assert “subrogation” against recovery obtained by Pension Fund)

A report from Phil Pries, Attorney, was received during executive session of the investment Board meeting. A 60 day delay has been granted by both legal parties (City and Fund). Phil Pries has suggested that Mr. Robein be enrolled in this lawsuit to oppose the intervention. The City alleges that any money recovered by NOFF should be paid to the City of New Orleans. Our attorney advises that any proceeds belong to the Fund.

MOTION: Moved by Gaal and seconded by Meagher to authorize Mr. Robein to enroll for intervention purposes only which would oppose the City’s demand for subrogation in this matter.

Motion passed.

Foster and McConnell against

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

Following the most recent hearing, the City agreed to appropriate \$5 million and provide a payment plan for the outstanding balance. A \$5 million budget request is expected to be introduced at the Council meeting on May 14, 2015. \$4.6 million toward the December 2014 mandamus has been paid.

Mischler et al v State of Louisiana et al:
Tarranto et al v City of New Orleans

The Mischler case will be heard in Judge Jupiter’s court and consolidated with Tarranto. The Mischler plaintiffs are seeking additional legal relief in the Cates court.

Longevity Litigation:

Next hearing set for June 11, 2015 at 9 am. Back pay amounts related to salary have been stipulated. Pension back pay amounts will be presented to the Judge on or before June 11, 2015. Robein noted that a motion is required to permit members of the Board to enter into mediation with respect to settlement of the Longevity, mandamus and Reconventional demand litigation.

Mediation:

Mr. Robein advised the Trustees that the City has proposed “global” mediation to resolve all claims and counterclaims in all funding and longevity actions.

MOTION: Moved by Meagher and seconded by McConnell to permit Mr. Robein to enter into mediation with respect to settlement of longevity, mandamus and Reconventional demand litigation.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Lavene to enter executive session pursuant to R.S. 42:17 (A) (2) for discussion of strategy or negotiations with respect to actual litigation, where an open meeting would have a detrimental effect on the litigating position of NOFF in any judicial matters related to agenda item above; all pertinent notification has been provided.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Marchese to come out of executive session.

Motion passed.

NO OBJECTIONS

Darryl Klumpp, a plaintiff and defendant-in-reconvention in the mandamus litigation, was invited to attend the executive session.

ADJOURNMENT

There being no further business, the meeting adjourned at 1:08 pm.

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. Please contact the Pension Office during the hours of 10:00 am to 2:00 pm for beneficiary verifications. Your cooperation is appreciated.

APPROVED BY:  DATE: 6/30/15