

# **NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND**

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**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:**

**January 11, 2016  
3520 General DeGaulle  
Suite 3001  
New Orleans, Louisiana 70130**

**The following members of the Board of Trustees were present: Martin Gaal, Thomas Meagher, Angelo Marchese, Tim McConnell, Nick Lavene, Derrick Muse, and Norman Foster.**

**A quorum being present, Board President Martin Gaal called the meeting to order at 9:05 a.m. after the Pledge of Allegiance and a moment of silence for fallen firefighters.**

**Also present,**

**Pam Meyer  
Louis Robein, Board Attorney  
Paul Mitchell  
Kenneth Kirsch, firefighter  
Donald Schulz, retired firefighter  
Paul Horne, retired firefighter**

## **COMMUNICATIONS**

Mr. Meagher reminded Board members that the LATEC conference is scheduled for February 3-5, 2016.

**REVIEW AND ACCEPT MINUTES**

Mr. Meagher moved for adoption of the December 9, 2015 and December 23, 2015 regular Board minutes. McConnell noted that his motions should reflect the accrual % as 3 1/3% and not 3.334% where applicable in the December 9, 2015 minutes.

**MOTION:** Moved by Meagher and seconded by Gaal to approve the December 6, 2015 minutes with corrections noted.

Motion passed.

**NO OBJECTIONS**

**MOTION:** Moved by Meagher and seconded by Lavene to approve the December 23, 2015 minutes with corrections noted.

Motion passed.

**NO OBJECTIONS**

**REFUND OF CONTRIBUTIONS**

None

**CHANGE OF BENEFICIARY**

Thomas E. Cleland, Charles Alexis, Richard Johnson, Gerald Forster, Douglas Arbo, Donald R. Williams, Wayne Collongues, Nicole A. Nurton Gallagher, and John J. Gallagher, III, have updated or completed beneficiary forms.

**DROP WITHDRAWAL**

None

**R.S. 11:3376 DISABILITY APPLICATIONS**

None

**ALTERNATIVE ELECTION AS PER R.S.11:3376 F (2)**

None

**REGULAR RETIREMENT APPLICANTS:**

None

**DROP APPLICATIONS:** Effective January 1, 2016

**Kevin McCorkle:** New Fund Fire Captain, age 51 with 22 years of service is applying to enter DROP.

**MOTION:** Moved by Meagher and seconded by Gaal to approve a DROP benefit application calculated at 2 ½% for the first twelve years of service and 3 1/3% of his average annual compensation for each year of service or portion of a year after twelve years, up to 100% of his average annual compensation.

McConnell offered a substitute motion seconded by Foster to approve a regular service benefit calculated at 2 ½% for the first 12 years of service and all years of service to age 50 and 3 1/3% for all years of service and any portion of a year beyond 12 years of service and age 50. If the member has 30 years of service the benefit shall be calculated as 2 ½% on the first 12 years of service and 3 1/3% for all years of service and any portion of a year beyond 12 years up to 100% of the member's average annual compensation.

McConnell, Muse and Foster voted for the substitute motion. Meagher, Marchese, Lavene and Gaal voted against the motion. Substitute motion failed.

A vote on the original motion followed:

Meagher, Marchese, Gaal and Lavene vote for. McConnell, Muse and Foster voted against.

Motion passed.

**Sidney P. Nunez:** New Fund Fire Operator, age 63 with 30 years of service is applying to enter DROP.

**MOTION:** Moved by Meagher and seconded by Marchese to approve a DROP benefit application calculated at 3 1/3% of his average annual compensation for all years of service up to 100% of his average annual compensation.

McConnell offered a substitute motion seconded by Foster to approve a regular service benefit calculated at 2 ½% for the first 12 years of service and all years of service to age 50 and 3 1/3% for all years of service and any portion of a year beyond 12 years of service and age 50. If the member has 30 years of service the benefit shall be calculated as 2 ½% on the first 12 years of service and 3 1/3% for all years of service and any portion of a year

beyond 12 years up to 100% of the member's average annual compensation. **McConnell, Muse and Foster voted for the substitute motion. Meagher, Marchese, Lavene and Gaal voted against the motion. Substitute motion failed.**

A vote on the original motion followed:

**Meagher, Marchese, Gaal and Lavene vote for. McConnell, Muse and Foster voted against.  
Motion passed.**

**Kenneth G. Kirsch:** New Fund Fire District Chief, age 50 with 26 years of service is applying to enter DROP.

**MOTION:** Moved by Meagher and seconded by Gaal to approve a DROP benefit application calculated at 2 1/2 % of his average compensation for the first 12 years of service and 3 1/3% of his average compensation for all years of service and any portion of a year beyond 12 years of service.

McConnell offered a substitute motion seconded by Foster to approve a regular service benefit calculated at 2 1/2% for the first 12 years of service and all years of service to age 50 and 3 1/3% for all years of service and any portion of a year beyond 12 years of service and age 50. If the member has 30 years of service the benefit shall be calculated as 2 1/2% on the first 12 years of service and 3 1/3% for all years of service and any portion of a year beyond 12 years up to 100% of the member's average annual compensation.

**McConnell, Muse and Foster voted for the substitute motion. Meagher, Marchese, Lavene and Gaal voted against the motion. Substitute motion failed.**

A vote on the original motion followed:

**Meagher, Marchese, Gaal and Lavene vote for. McConnell, Muse and Foster voted against.  
Motion passed.**

## **REPORTS OF DEATHS**

### **Pensioners:**

**Salvador J. Noto:** Mr. Noto died on December 5, 2015 at the age of 82 leaving a widow and no minor children. He entered the department on June 1, 1967 and retired on February 17, 1988 after 21 years of service. He spent 27 years on pension.

**Harold A. Eck:** Mr. Eck died on December 21, 2015 at the age of 89, leaving a widow and no minor children. He entered the department on June 1, 1948 and retired on June 1, 1968 after 20 years of service. He spent 47 years on pension.

**Widow:**

**Shirley M. Ripp:** Mrs. Ripp died on December 18, 2015 at the age of 83. She began receiving benefits on November 30, 1980, 35 years ago.

**MOTION:** Moved by Gaal and seconded by Meagher to remove the above noted deceased members and widows from the pension rolls.

Motion passed.

**NO OBJECTIONS**

**WIDOW'S APPLICATIONS**

**Mrs. Eva G. Noto:** Mrs. Noto is applying for a line of duty widow's benefit effective January 1, 2016.

**MOTION:** Moved by Meagher and seconded by Marchese to approve a line of duty widow's benefit for Mrs. Noto effective January 1, 2016.

Motion passed.

**NO OBJECTIONS**

**APPLICATIONS PENDING**

**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 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 and reserve privacy rights to members for Service Connected Disability Pension applications and pending applications.

Motion passed.

**NO OBJECTIONS**

**Mrs. Deborah Mouchon-** Mrs. Mouchon would like to appeal the decision of the Board regarding her line of duty benefit. Members discussed setting up an appeal committee which

will include Meagher, Marchese, Gaal and Lavene. All Board members are allowed to participate. February 2, 2016 was selected as the proposed hearing date, subject to Mrs. Mouchon's availability. Ms. Meyer will confirm meeting time and date.

**OLD BUSINESS:**

**Parks of Plaquemines:** The revised agreement has been signed by Mr. Meagher.

**Expense Committee:** The second and third quarter expenses will be reviewed after the Board meeting.

**NEW BUSINESS:**

**Falconhead Listing agreement:** Colliers International is seeking an extension to the listing agreement.

**MOTION:** Moved by Meagher and seconded by Marchese to approve the extension of the listing agreement.

**Motion passed.**

**NO OBJECTIONS**

**DROP accumulation account:** Mr. Meagher noted that effective January 2016; monthly accruals for all members currently on DROP will be accumulated in a separate account with the custodian.

**Personal matters:** Mr. Meagher is seeking a motion to approve the payment of unused sick and annual leave to staff.

**MOTION:** Moved by Meagher and seconded by Marchese to approve the payment of all but 10 days of unused sick and annual leave to staff.

**Motion passed.**

**NO OBJECTIONS**

**NCPERS 2016:** Meagher noted that the NCPERS conference, coming up in May, is in San Diego. Last year's conference was in New Orleans. Members expressing interest should contact the pension office to secure reservations.

**MOTION: Moved by Meagher and seconded by Gaal to approve the attendance of Board members and interested staff to attend the NCPERS conference in May.**

**Motion passed.**

**NO OBJECTIONS**

**Next Meeting:** Mr. Meagher noted that due to Mardi Gras he would like to schedule the next meeting on February 12, 2016. No objections were noted.

**Lakewood matter:** Donald Schulz and Paul Horne requested an opportunity to address the Board regarding the possibility of the Board authorizing a forensic audit of the Lakewood investment.

**MOTION: Moved by Foster and seconded by McConnell to add an item to the agenda.**

**Motion passed.**

**NO OBJECTIONS**

Mr. Schulz and Mr. Horne noted that as a result of discussions with retired members of the Fund and other sources, he feels that a forensic audit of the Golf Course investment is necessary. Mr. Robein noted that forensic audits are expensive and usually result from identification of an alleged or actual illegal or criminal action. To date no criminal activity or action has been brought to the attention of this Board to his knowledge. Mr. Schulz felt the manner in which the prior Board purchased the course and the fact that the course was developed as an investment was inappropriate and is the basis for his request. Mr. Schulz shared information he has heard. Discussion followed regarding management of the investment, loans on the investment, and performance of the investment. Issues regarding poor management and investment return on the golf course investment are not new issues to the Board.

Foster noted that the Fund will have new auditors and that the cost of scope of a forensic audit should be discussed with the new auditors. Meagher agreed to notify Mr. Schulz of the meeting with the auditors. It is hopeful that he, and anyone else, would be able to provide sufficient information to justify this additional audit effort. The auditors can give members an idea of the appropriateness, cost and scope of such work. The Fund's regular audit will not be impacted by this additional work.

**MOTION: Moved by Foster and seconded by Meagher to discuss the matter of a forensic audit with the Fund's new auditors at a future expense committee meeting.**

**Motion passed.**

**NO OBJECTIONS**

**Longevity Payment update:** Mitchell noted that the Fund has received the City's EIN, and will deduct 20% legal fees, 20% federal taxes, 4% state taxes and 1.45% Medicare taxes for eligible payees. Employees hired after 1986 are subject to the Medicare withholding. The City is

required to match the total payment.

**LEGAL:**

**Approval of QDRO:** Mitchell and Meyer provided the Board with copies of a QDRO filed on behalf of Ms. Vedros. Staff seeks approval to implement the terms of the QDRO. Robein noted that the QDRO has been reviewed by his firm.

**MOTION:** Moved by Meagher and seconded by Gaal to implement the terms of the Vedros QDRO.

**Motion passed.**

**NO OBJECTIONS**

**Longevity Litigation**

Mr. Robein noted that he is still waiting for the City to complete its draft of the CEA. He noted that the City is required to make a \$15 million payment toward longevity settlement by Feb 1, 2016. Distribution will occur sometime in February following receipt of the payment from the City. He noted that the City Council recently approved a millage election for April 9, 2016. The City Attorney is currently reviewing Robein's draft of the CEA.

McConnell asked about implementation of SEB offsets. Discussion followed with Robein noting that his interpretation of the settlement agreement requires that benefit offsets will be taken from new disability retirees effective for members retiring on or after January 1, 2016. Existing members on SEBs will not be adjusted (offset) until the matter is litigated. McConnell disagreed with Robein's interpretation, noting that he believes all members receiving SEBs are subject to offsets beginning January 1, 2016. Robein suggested that McConnell discuss the SEB interpretation with the City Attorney. Meagher noted that there is no intention to begin offsets for existing SEB recipients. Robein noted that no one has the legal authority to retroactively offset benefits to any member without court action, stressing that workmen's compensation benefits are not subject to unilateral adjustment by the employer. He expects that the Fund and the City will have to concur on the manner and time in which SEB recipients will be litigated. Robein did not anticipate that SEB litigation would commence before the April election.

McConnell was not in agreement with Mr. Robein's position.  
McConnell offered a motion.

**MOTION:** Moved by McConnell and seconded by Foster that for any member who is on the pension roll that has been found to be disabled from service in the fire department by the pension board in accordance with RS 11:3376 and receives a Supplemental Earnings Benefit (SEB) from the City of New Orleans or the City of New Orleans' workers compensation provider the pension fund shall immediately have their monthly retirement



**benefit reduced by an amount equal exactly to the amount of the prior month's SEB. The exact amount of SEB received monthly by each member when provided each month to the pension fund by the City of New Orleans shall be deducted immediately from the next retirement benefit payment paid to each member.**

Meagher noted that the motion is not in order because that CEA issue is not on the agenda. He will not allow the motion to go to the floor and will place the CEA on next month's agenda. Robein noted that several other items on the CEA require discussion, particularly pre-tax treatment of deductions and the timing of litigation. Foster felt that the City didn't have the legal authority to do the pre-tax treatment. The matter is still being researched. McConnell felt the SEB matter could be addressed now, as he felt there are no legal constraints delaying implementation. Robein, Meagher and Gaal disagreed with McConnell's position.

McConnell asked for a vote to add the item to the agenda with the following motion.

**MOTION: Moved by McConnell and seconded by Foster to add the CEA to the agenda. McConnell, Foster and Muse voted for. Meagher, Marchese, Lavene and Gaal voted against. Motion failed.**

McConnell believes the CEA can be discussed at this meeting without a motion in connection with the longevity matter and other legal cases listed in the legal section.

Meagher moved for adjournment.

### **ADJOURNMENT**

There being no further business, benefit calculations were deferred to a later date. The meeting adjourned at 10:45am.

### **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: 2/12/16