

# **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 Special Meeting  
Fire Fighter's Pension & Relief Fund**

**TIME, DATE AND PLACE:**

**February 26, 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 1:05 a.m. after the Pledge of Allegiance and a moment of silence for fallen firefighters.**

**Also present,**

**Louis Robein, Board Attorney  
Paul Mitchell  
Rebecca Dietz, City Attorney  
Al Belaparte, CNO Risk Manager  
Beverley Garipey, Deputy Director Finance  
Michelle Conley, Mayor's office  
Coleman Ridley, Business Council**

**OLD Fund ARC**

Meagher provided McConnell with the February Old Fund payroll amounts and bank statement information. He requested that McConnell prepare the Old Fund appropriations using the prior month's actual payroll to expedite processing of the appropriation amount. That would allow the payment to be in our office in a timely manner. Mr. Meagher maintains that the appropriation totals determined as a result of McConnell's calculations are not correct and that differences between McConnell's calculations and the Fund's calculations will be resolved with the assistance of respective lawyers, if necessary.

### **SEB Offset Policy**

Mr. Meagher provided Board members and attendees with a draft SEB policy prepared by Fund staff.

**MOTION: Meagher moved and Gaal seconded to adopt the SEB policy.**

Foster and McConnell felt the proposed policy required amendments. Both felt that the policy was not consistent with the agreed settlement terms (AST). Both suggested that the monthly benefit should be reduced for the entire amount of the SEB payment. The proposed policy uses 12 month salary as a basis for the deduction. Meagher felt the policy as drafted was in accordance with the agreed settlement terms. Discussion followed on differences in the FRS policy and the proposed SEB policy.

**McConnell offered in a substitute motion, seconded by Muse, the following changes to the proposed SEB policy:**

- **Removing the background section,**
- **Removing self-reporting requirements, and allow use of City provided SEB payment documents,**
- **Removing the cross reference in 6, referencing 3 above,**
- **Remove all wording in 5 regarding pensionable salary,**
- **Clear up wording for max SEB adjustment, in 5, removing Disability and leaving just retiree,**
- **Change the start date to January 1, 2017,**
- **City will report SEB to Fund,**
- **Use 60 month as salary base,**
- **Remove the self-reporting requirement in 5,**
- **Remove disability from the document as it relates to retirees. The AST requires adjustment for SEB recipients. Regular retirees would not be subject to the reduction under the current policy.**

Meagher noted that he would appreciate having McConnell's changes to the policy provided in writing. Without having his changes in writing makes it difficult to approve at this time.

Meagher noted that he would not have any problem discussing proposed changes to the policy in the future. He felt the current draft works quite well in meeting the requirements of the AST. McConnell felt the current document is not consistent with the AST and could not support the original motion. McConnell suggested having the original policy retyped for approval today. Discussion followed on the impact of this document and completion of the CEA, and the negative impact of using 60 month salary on younger employees who are injured on the job.

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

**The vote on the original motion: Meagher, Gaal, Lavene and Marchese voted for the motion. Foster, McConnell and Muse voted against the motion. The original motion passed.**

Meagher requested that he and McConnell could meet before the next Board meeting to discuss his proposed changes. Meagher felt that the document was very close to complete.

### **Judicial determination**

**MOTION:** Gaal moved and Marchese seconded to permit the Fund attorney, in conjunction with the City attorney, to proceed with a legal filing on or before April 15, 2016 to judicially determine the legality of adjusting SEB benefits of existing retirees.  
Motion passed. **NO OBJECTIONS**

Fund council felt that the SEB policy should be completed before any litigation.

### **Fund bank statements**

McConnell and Foster had questions about the bank statements provided. Meagher suggested that all questions be provided in writing so that members can respond appropriately.

### **Security Breach**

Mitchell noted that the system was the victim of a cyber breach. The Fund's G drive was encrypted. The Fund's software contractor will be able to restore the affected files. Security updates have been enacted including elimination of offsite access to the Fund's data base, (except for cases of emergency), and changing of all passwords, among other things. It appears

about 2500 active and or retired persons could be impacted by the breach. The Fund has contacted Experian to offer credit monitoring to impacted names. Experian will offer credit monitoring for one year at a cost of \$52.01 per person. The fiduciary carrier is on notice as well as the attorney general's office.

**MOTION: Moved by McConnell and seconded by Foster to engage Experian to provide credit monitoring service to affected persons.**

**Motion passed.**

**NO OBJECTION**

**Adjournment**

Having no further business the meeting was adjourned.

APPROVED BY:



DATE:

