

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:

**October 12, 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, Norman Foster and Derrick Muse.

**Also present,
Pam Meyer
Christine Carroll, Board Attorney
Mike Conefry, Board Actuary
Brandy Smith, Board Auditor
Paul Mitchell
Kenny Prevost, retired firefighter**

A quorum being present, Board President Martin Gaal called the meeting to order at 9:05 a.m. Mr. Meagher lead the pledge of allegiance and a moment of silence for fallen firefighters and first responders.

Meagher noted that Brandy Smith, partner with P & N, the systems' auditors, was on hand to present the results of the firm's audits of the New and Old Systems

Additionally Mike Conefry, Fund actuary, was on hand to present the Old Fund actuarial report for the year ended December 31, 2015 and answer any questions related to the New and Old Fund actuarial reports.

MOTION: Motion by Mr. Meagher and seconded by Mr. Lavene to take the Audit presentation and Actuarial report items out of order.

Motion Passed

NO OBJECTIONS

Brandy Smith, Partner at P & N, noted that the firm has issued a clean opinion on the financial statements of the New and Old Systems for the year ended December 31, 2015. Two “emphasis of matter” were noted in the opinion. They included the restatement of prior year financials to properly reflect a change in the way investments are reported in the financials and the lack of liquidity of investments. An overview of the financial statements followed. Investment balances continue to decrease primarily as a result of the drawdown of member DROP and PLOP balances, the reserve of certain notes receivable and investment losses. The presentation continued, covering most sections of the financials and related notes, including note 5, Net pension Liability of the Employer. That note disclosed that the change in the discount rate produced a reduction in the total pension liability for the New System of \$80 million. The net pension liability to the City at December 31, 2015, amounts to \$343 million and \$154 million for the New and Old Fund, respectively. Ms. Smith closed the presentation with a discussion on the required supplementary information section and the schedule of findings and responses. Smith hopes that improved audit scheduling will eliminate any delays in reporting and submission of the audit report in future years.

Mike Conefry, actuary, began his presentation discussing key statistical data related to the Old Fund. Benefit payments are anticipated to total \$16.7 million for 524 retirees and beneficiaries. The average life expectancy is 10.65 years for retirees and survivors. Conefry then discussed the active profile schedules noting the valuation category was changed to describe member benefits paid under the regular Service Retirement formula and benefits paid under a disability retirement formula in addition to benefit amounts paid to survivors.

Discussion moved to the supplemental schedules of the New Fund report, particularly pages 20 and 21. Mike reminded the Board that the schedules reflect the number of members receiving benefits under the regular benefit calculation and disability calculations. Discussion continued with Conefry responding to questions on potential changes to the supporting schedules in future reports, the relationship of data in the schedules to mortality tables and the source of the data in the schedules.

Foster noted that the Revised State Statutes 11:3387 require a book be maintained by the secretary treasurer. Mitchell explained that the Fund maintains a complete folder on all members, beneficiaries and dependents, which include among other things, benefit applications, health records, retirement applications, correspondence and benefit calculations. Board minutes serve as the source documents for all actions by the Board. The AS 400, the Fund’s computer system, which is used to produce payroll, provides an additional and somewhat duplicative record of payee attributes, including but not limited to date of retirement, hire date, pension amount and benefit deductions. Conefry responded to inquiries from Board members involving

his actuarial process before closing the discussion.

The Secretary Treasurer then moved to the normal order of business.

COMMUNICATIONS

None

REVIEW AND ACCEPT MINUTES

McConnell noted several adjustments were needed to the minutes. Members deferred approval of the September Regular Board minutes until the next meeting.

Norman Foster left the meeting

REFUND OF CONTRIBUTIONS

Mr. Scott Audler (DROP overpayment), Christopher D. Goettner (resigned) and Brandon Harper (resigned) are seeking a refund of contributions.

MOTION: Moved by Meagher and seconded by Gaal to approve the refund of contributions.

Motion passed.

NO OBJECTIONS

CHANGE OF BENEFICIARY

Livingston Tabor, Robert Dudenhefer, Jerry Whitson, Adam Woodruff, Robert Ward, George Flanagan, Jr., and Lionel Davis, Jr. have submitted current beneficiary forms.

R.S. 11:3376 DISABILITY APPLICATIONS

MOTION: Moved by Meagher and seconded by Lavene to go into executive session to review medical documentation and reserve privacy rights to members applying for a Service Connected Disability Pension and pending applications.

Motion passed.

NO OBJECTIONS

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

Motion passed.

NO OBJECTIONS

Robert Bonds- a New Fund Captain, age 59 with 24 years of service is applying for a 50% service connected Disability effective October 12, 2016.

MOTION: Moved by Meagher and seconded by Lavene to approve a 50% Service connected disability effective October 12, 2016 calculated at 2 1/2% of his average annual compensation for the first 12 years of service and 3 1/3% of his average annual compensation for each year of service or portion of a year up to 100% of his average annual compensation.

A substitute motion moved by McConnell and seconded by Muse to approve a 50% Service Connected Disability retirement benefit for Mr. Bonds effective October 12, 2016 pursuant to R.S.11: 3376 (B) or to alternatively approve a regular retirement benefit in accordance with all conditions of R.S. 11:3384 to be calculated as 2 ½% of the member's average annual compensation for the member's first 12 years of service and for all years or portion of a year of service until the member has reached 50 years of age; and at 3 1/3% for each year or portion of a year beyond 12 years of service and after 50 years of age. If the member has beyond 30 years of service the retirement benefit for each year or portion of a year beyond 12 years of service the retirement benefit for each year shall be 3 1/3% up to 100% of the member's average annual compensation.

Substitute motion passed.

NO OBJECTIONS

Meagher, Marchese, Gaal and Lavene noted they voted to support the disability election.

Norman Foster entered the meeting.

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

Robert B. Bonds, Jr. is applying for the higher benefit per RS 11:3376F (2)

MOTION: Moved by Meagher and seconded by Lavene to approve the Higher benefit election per RS 11:3376 F (2) for Robert Bonds which provides a benefit of 2 ½% of his average compensation for the first twelve years of service and 3 1/3% for each year of service beyond 12 years of service as outlined in the worksheet provided to trustees. McConnell, Muse and Foster voted against the motion. Meagher, Marchese Gaal and Lavene voted for the motion. Motion passed.

DROP WITHDRAWAL

None

REGULAR RETIREMENT APPLICANTS:

Michael J. Calamari-New Fund Fire Captain, age 56 with 36 years of service is applying for a Regular Service Pension effective October 9, 2016.

MOTION: Moved by Lavene and seconded by Gaal to approve a Regular Service Pension effective October 9, 2016 calculated at 3 1/3% of his average annual compensation for each year of service or portion of a year up to 100% of his average annual compensation as presented in the attached worksheet.

A substitute motion moved by McConnell and seconded by Muse to approve a Regular Service retirement benefit for Mr. Calamari effective October 9, 2016 in accordance with all conditions of R.S. 11:3384 to be calculated as 2 ½% of the member's average annual compensation for the member's first 12 years of service and for all years or portion of a year of service until the member has reached 50 years of age; and at 3 1/3% for each year or portion of a year beyond 12 years of service and after 50 years of age. If the member has beyond 30 years of service the retirement benefit will be calculated as 2 ½% of the member's average annual compensation for the member's first 12 years of service and 3 1/3% for each year of service beyond 12 years of service up to 100% of the member's average annual compensation.

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

A vote on the original motion followed.

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

Louis J. Smith- New Fund Fire Operator, age 63 with 33 years of service is applying for a Regular Service Pension effective October 29, 2016.

MOTION: Moved by Meagher and seconded by Lavene to approve a Regular Service Retirement effective October 29, 2016 calculated at 3 1/3% of his average annual compensation for each year of service or portion of a year up to 100% of his average annual compensation as presented in the attached worksheet.

A substitute motion moved by McConnell and seconded by Muse to approve a Regular Service retirement benefit for Mr. Smith effective October 29, 2016 pursuant to R.S. 11:3384 to be calculated as 2 ½% of the member's average annual compensation for the member's first 12 years of service and for all years or portion of a year of service until the member has reached 50 years of age; and at 3 1/3% for each year or portion of a year beyond 12 years of service and after 50 years of age. If the member has beyond 30 years of

service the retirement benefit will be calculated at 2 ½% of the member's average annual compensation for the member's first 12 years of service and 3 1/3% for each year or portion of a year beyond 12 years of service up to 100% of the member's average annual compensation.

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

A vote on the original motion followed.

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

DROP APPLICATIONS:

None

REPORTS OF DEATHS

Pensioners:

Earnest M. Albaitis: Mr. Albaitis died on September 14, 2016 at the age of 90 leaving a widow and no minor children. He entered the department on February 2, 1948 and retired on May 5, 1978 after 29 years of service.

Raymond J. Spain: Mr. Spain died on September 22, 2016 at the age of 71, leaving a widow and no minor children. He entered the department on September 23, 1966 and retired on January 17, 1994 after 28 years of service.

Ana Suarez-Jackson: Ms. Jackson was a QDRO, passing at the age of 66 on September 25, 2016. Her benefits began on February 5, 2013.

Thomas C. Babin died on September 27, 2016 at the age of 92, leaving no widow and no minor children. He entered the department on July 1, 1948 and retired on July 5, 1968 after 20 years of service.

Widow:

Ruth S. Blakeman: Ms. Blakeman died on September 15, 2016 after 8 years on benefits which began on December 1, 2007.

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

Motion passed.

NO OBJECTIONS

Foster left the meeting.

WIDOW'S APPLICATIONS

Mrs. Marilyn W. Baptiste (Alfred) is applying for a Line of Duty Widow's benefit effective September 1, 2016.

MOTION: Moved by Meagher and seconded by Marchese to approve a Line of Duty Death Benefit effective September 1, 2016 for Mrs. Baptiste.

Motion passed.

NO OBJECTIONS

Mrs. Renee G. Montreuil (Glen) is applying for a Line of Duty Widow's benefit effective September 1, 2016.

MOTION: Moved by Meagher and seconded by Gaal to approve a Line of Duty Death Benefit effective September 1, 2016 for Mrs. Montreuil.

Motion passed.

NO OBJECTIONS

Mrs. Earnest Albaitis is applying for a Line of Duty Widow's benefit effective October 1, 2016.

MOTION: Moved by Meagher and seconded by Marchese to approve a Line of Duty Death Benefit effective September 1, 2016 for Mrs. Earnest Albaitis.

Motion passed.

NO OBJECTIONS

APPLICATIONS PENDING

The Fund has received appeal letters from Keith Noya, Joseph Segretto and Mark Shubert. Staff will coordinate meeting dates and times with all parties involved.

FINANCIAL INFORMATION

Board members were provided with key financial revenue and disbursement figures for the New and Old system for September.

Foster returned to the meeting.

OLD BUSINESS:

None

NEW BUSINESS:

LAPERS Conference: Trustees were informed about an LAPERS conference held in New Orleans during September. Mr. Meagher provided the conference outline and key handouts.

Dr. Lutz: The Fund's doctor is requesting a \$200 per month increase in his \$1,100 per month fees. Meagher noted that member visits have increased as well as the documentation supporting a member's medical condition. The fee increase is deemed reasonable as the current fee structure has been in effect for over 10 years.

MOTION: Moved by Meagher and seconded by Marchese to increase the Fund's medical doctor's retainer by \$200 to \$1,300.00.

Motion passed.

NO OBJECTIONS

HCH sale: Meagher noted that the HCH land sale was closed recently. Proceeds from the sale were sufficient to cover the \$1.5 million loan on the property.

LEGAL:

Ms. Carroll led the discussion on the following:

- Plaintiffs in the Lakewood matter have filed complaints with the State of Louisiana. At the hearing on October 7, 2016 Judge Bruno allowed the plaintiffs' claims to move forward in court. Ms. Carroll noted that depositions and legal arguments will be made at future court hearings.
- There has not been a ruling on the matters before Judge Giarrusso.

ADJOURNMENT

There being no further business the meeting adjourned.

TIMELY FILING OF APPLICATIONS:

All Members applying for retirement, 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 Roma F. Magallon III DATE 12/14/16