

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:

**April 5, 2017
3520 General DeGaulle
Suite 3001
New Orleans, Louisiana 70130**

The following members of the Board of Trustees were present: Thomas Meagher, Angelo Marchese, Nick Lavene, Beverly Garipey and Derrick Muse. Martin Gaal arrived late. Tim McConnell did not attend.

**Also present,
Pam Meyer
Paul Mitchell
Kenny Prevost, retired firefighter
Richard Connors, retired firefighter
Nicholas Felton, President Local 632
Michele Conway, Mayor's office
Nancy Picard, board attorney
Kevin Hall, Finance Department attorney**

A quorum being present, Secretary Treasurer Thomas Meagher called the meeting to order at 10:15 a.m. Meagher led the Board in a Pledge of Allegiance and moment of silence for fallen firefighters.

COMMUNICATIONS

There were no communications to report

Mr. Meagher noted that Mr. Tarcza, board attorney was on hand to discuss the sale of the Falconhead Golf Course and the Wiznia properties. He asked for a motion to take items out of order and to go into executive session. Meagher also noted that Keith Cubba would be available by phone to assist in the discussion.

MOTION: Moved by Gaal and seconded by Lavene to take items out of order to discuss the matter of the Falconhead Golf course sale and Wiznia investments.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Gaal and seconded by Lavene to go into executive session to discuss the matter of the Falconhead Golf course sale and Wiznia investments.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Gaal and seconded by Lavene to exit executive session to discuss the matter of the Falconhead Golf course sale and Wiznia investments.

Motion passed.

NO OBJECTIONS

Wiznia investments

MOTION: Moved by Lavene and seconded by Marchese to authorize the secretary treasurer and chairman to execute the sale agreement of the Wiznia investments subject to such terms as they deem reasonable.

Falconhead Golf Course Sale

MOTION: Moved by Lavene and seconded by Muse to allow the chairman and secretary treasurer to move forward with the highest and best offer for Falconhead Golf course.

Motion passed.

NO OBJECTIONS

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Meagher and seconded by Marchese to approve the minutes of the March 9, 2017 Board meeting.

Motion passed.

NO OBJECTIONS

REFUND OF CONTRIBUTIONS

None

CHANGE OF BENEFICIARY

Jermaine R. Perry have submitted beneficiary forms.

R.S. 11:3376 DISABILITY APPLICATIONS

None

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

None

DROP WITHDRAWALS

None

REGULAR RETIREMENT APPLICANTS:

None

DROP APPLICATIONS:

None

REPORTS OF DEATHS

Pensioners:

John A. Foto- Died on March 15, 2017 at the age of 84, leaving a widow and no minor children. He entered the department on February 2, 1956 and retired on February 16, 1978 after 22 years of service. He spent 39 years on pension.

Widows

Shirley House: died on March 15, 2017 at the age of 74. Her benefits began on May 7, 1982. Mrs. House spent 34 years on benefits.

Anna Eiermann: died on March 21, 2017 at the age of 69. Her benefits began on August 1, 2008.

Rodel S. Ingersoll: died on March 19, 2017 at the age of 95. Her benefits began on March 1, 1995. She spent 22 years on pension.

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

Motion passed.

NO OBJECTIONS

WIDOW'S APPLICATIONS

Danielle LeBlanc: At the time of retirement Mr. LeBlanc selected the 50% survivor option benefit. Mrs. LeBlanc is making application for payment of the benefit beginning February 1, 2017.

MOTION: Moved by Meagher and seconded by Marchese to approve the 50% survivor option benefit for Mrs. Leblanc effective February 1, 2017.

Motion passed.

NO OBJECTIONS

FINANCIAL INFORMATION

Board members were provided with key financial revenue and disbursement figures for the New and Old system for March 2017.

OLD BUSINESS:

Update on request to access to firefighter payroll data from Finance. Mitchell noted that this request is now being honored by the City. The controller's office has been responding promptly.

SEB information request update McConnell was not at the meeting to provide an update on this matter.

Staff Retirement Plan: Meagher noted that he met with Jesse Evans and Beverly Gariepy to discuss the admission of staff employees into the retirement plan. The request for admission is nearly two and a half years old. Recent meetings with the NOMERS staff and certain Board members indicated that the NOMERS Board did not support NOFFPF staff joining the NOMERS plan as a component use because of the impact on the City's general fund. Gariepy also repeated a recommendation to apply for admission to FRS, which has been discussed with the previous Finance director. Meagher provided the following additional comments:

1. Board members of NOMERS have a responsibility to the NOMERS Fund members in the same manner that NOFFPF Board members have to its members. Three NOFFPF staff members joining NOMERS will not hurt the NOMERS Fund. NOFFPF's impact on the general fund should have no bearing on this decision.

- 2 NOMERS has several component units which are similar to the way we would operate, including Orleans Parish Communication Dist., Board of liquidation, and mortgage-conveyance. NOFFPF staff is being treated differently for no legal reason.
- 3 As an employer, NOFFPF would be responsible for making all employer contributions directly to NOMERS, not the general Fund.
- 4 NOFFPF will make the employer portion of the past service costs directly from current Fund assets, not from future appropriations.
- 5 NOFFPF employees would be responsible for their employee contributions.
- 6 NOMERS has received an opinion from their own attorneys which permits NOFFPF staff to join the NOMERS system.
- 7 NOFFPF has several fund sources: employees, City and State Funding, and investment returns. We are not dependent on City funding to make employer contributions to fund employee benefits.
- 8 NOMERS Board members should note that the Firefighters pension system has done more to help the general fund than they may realize.
 - a. The City of New Orleans failed to fully fund the ARC for the years 2009 thru 2015. Payroll was \$25 million, while the City paid \$9. This short fall in funding saved the City over \$90 million and cost the Fund over \$150 million when you factor in lost interest income on those liquid assets that had to be liquidated.
 - b. The Fireman worked to pass a millage increase which will generate over \$9 million to the general fund for long overdue salary pay. The City is obligated to pay only \$5 million per year. The Firemen have added \$4 million to the general fund each year.
 - c. \$10 million paid to firemen for longevity back pay came from the pension fund assets over the last two years, not the general fund.

After providing the above Mr. Meagher notes that NOMERS had no logical or legal reason for denying admission of NOFFPF employees. The Board will consider its options.

NEW BUSINESS:

SEB Policy revision:

Members were provided a copy of proposed revision to the SEB policy. Mitchell noted that the key revisions included having the City provide the Fund with workmen's compensation payment information, and implementing the offset as soon as data is available from the member. The revised policy follows.

**NOFFPF SUPPLEMENTAL EARNINGS BENEFITS (SEB) OFFSET
POLICY AND PROCEDURE**

Objective

In connection with the October 15, 2015 Agreed Settlement Terms and related Cooperative Endeavor Agreement ("Settlement") between the City of New Orleans, New Orleans Firefighters' Pension and Relief Fund (NOFFPF) and New Orleans Firefighters Local 632, future SEB participants shall be subject to an SEB offset, effective January 1, 2016. Existing SEB recipients (participants receiving SEB payments before January 1, 2016 and continuing) will be subject to this Policy and to offsets if a Court renders a decision confirming the Fund's ability to affect an offset to their benefits. Should the Court confirm the Fund's ability to implement an offset to existing SEB recipients, this policy will be effective January 1, 2016, or as otherwise determined by the Court.

Policy

1. This Policy and Procedure is effective January 1, 2016.
2. All members retiring after January 1, 2016, will be notified in writing of this Policy and Procedure and be required to sign a waiver authorizing release of all SEB payment information to the NOFFPF in order to complete the retirement application process. The Fund will provide each authorization to the City to enable the City to provide the necessary SEB payment information to the Fund.
3. Beginning January 1, 2016 and before retirement, all Disability Retirees will acknowledge in writing that they will be required to complete an annual SEB earnings statement for the prior calendar year before May 1st of each year. Any Disability Retiree who fails to provide an SEB earnings statement will have their monthly benefit reduced by the maximum monthly SEB adjustment possible. This adjustment will be calculated

using the member's actual benefit (before any adjustment for PLOP, Joint & Survivor Annuity and/or QDRO), annual pensionable salary and maximum SEB benefit payable, currently \$2600 per month. The benefit reduction will remain in place until an SEB earnings statement is received and then adjusted accordingly. Members are encouraged to provide SEB payment information to the Fund as soon as possible. The Fund will begin monthly deductions as soon as information is available.

4. The SEB earnings deduction amount will equal the amount that the sum of monthly retirement benefit and monthly SEB payment exceeds the Disability Retiree's monthly pensionable salary. The Disability Retiree's monthly pensionable salary will be the final 12 months pensionable salary prior to retirement divided by 12. Disability Retirees
5. The SEB earnings deduction will begin no later than July 1, 2017. The SEB offset will be implemented as soon as appropriate information is obtained from the City or member. The retiree's monthly benefit will be reduced by the SEB earnings deduction amount determined above. The SEB earnings deduction will be recalculated each year, or earlier, following receipt of the SEB earnings information.
6. SEB lump sum settlements will be converted to an actuarially calculated lifetime equivalent for use in determining whether an offset to a monthly disability is required.
7. A Disability Retiree's 12 month pensionable salary will be adjusted annually by the CPI index.

Judicial Determination

All parties to the Settlement agree that the legal authority of the NOFFPF to implement and administer an SEB offset as to existing Disability Retirees receiving SEB benefits, must be judicially determined upon motion or like legal action by an interested party or parties to the Settlement initiated before April 15, 2016. Further, nothing herein precludes any affected Retiree from appealing or objecting to any offset and litigating same.

MOTION: Moved by Meagher and seconded by Gaal to approve the adjustments to the SEB policy.

Motion passed.

NO OBJECTIONS

LEGAL:

Nancy Picard led the discussion on the following:

- There has been no activity in the Mischler matter. Abatement period extends for three years after the last legal action.

- A hearing in the Lakewood matter granted the dismissal of discrimination claims. The retaliation claim remains. Claims against the Fund are not triable before a jury. The case is open for discovery. The lawyer for the plaintiff is a State legislator which could delay any action in the case during a legislative session.
- The appeal of the alternative interpretation decision has not moved forward because the City has not paid its filing fees.
- A motion to dismiss all claims against all trustees in the matters of the Old Fund reserves and the 2012 funding mandamus litigation is being processed by City attorneys, except for pending claim for alternative interpretation and SEB offsets.

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: _____

Home F. [Signature] Date: 5/10/17