

# NEW ORLEANS FIREFIGHTERS' PENSION AND RELIEF FUND

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**Martin Gaal**  
Board President

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

**SUBJECT:**

**Board of Trustees Regular Meeting  
Firefighters' Pension & Relief Fund**

**TIME, DATE AND PLACE:**

**October 11, 2017  
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, Nick Lavene, Beverly Gariepy and Derrick Muse. Tim McConnell was absent.**

**Also present:**

**Pam Meyer  
Christina Carroll, Board Attorney  
Jon Bialas, active firefighter  
Nick Felton, retired firefighter  
Richard Connors, retired firefighter**

**A quorum being present, Board President Martin Gaal called the meeting to order at 10:08 a.m.**

## **COMMUNICATIONS**

Meagher noted that representatives from Municipal Employees Retirement System, Mr. Phillip Gunn of Postlethwaite and Mike Conefry, actuary were on hand to make separate presentations to the Board. A motion to take the presenters out of order is requested.

**MOTION: Moved by Meagher and seconded by Gaal to take the presenters out of order on the agenda.**

**Motion passed.**

**NO OBJECTIONS**

**MERS presentation:** Meagher noted that the employee members have elected to join the MERS retirement system after meeting with resistance from City officials in joining the City's retirement plan. Warren Ponder and Ms. Suire are present at this meeting to provide the Board with information about their fund and answer any questions Board members and staff may have. Ponder noted that MERS is established to serve the retirement needs of municipal and public employees who are not eligible to become a member of another plan. The Fund provides its members with two Plan options. Plan A requires an employee contribution rate of 9.5% and employer contribution rate of 25% and provides members with 3% accrual rate for each year of service. Plan B requires an employee contribution rate of 5% and an employer contribution rate of 13.25% and provides members with a 2.5% accrual rate for each year of service. Employees of the Fund are required to participate in the same plan. Ponder provided general information on the size of the Plan, member make up and other general data on the process to admit the Fund's staff to the Plan. After answering questions from the Board, Ponder met with staff members.

**Postlethwaite Presentation:**

Phil Gunn, partner at Postlethwaite, was on hand to present the results of the 2016 annual audit.

**REVIEW AND ACCEPT MINUTES**

**MOTION:** Moved by Meagher and seconded by Marchese to approve the September 2017 Regular Board minutes.

Motion passed.

**NO OBJECTIONS**

**REFUND OF CONTRIBUTIONS**

None

**CHANGE OF BENEFICIARY**

Michael Bourgeois, George T. Smith, Ross Davis and David Abron completed change of beneficiary forms.

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

None

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

None

**APPLICATIONS TO REVOKE DROP**

None

**DROP WITHDRAWAL**

None

**REGULAR RETIREMENT APPLICANTS:**

None

**DROP APPLICATIONS**

None

**REPORTS OF DEATHS**

**Pensioners:**

**Cleaver R. Fredricks:** Mr. Fredricks died on September 21, 2017 at the age of 76, leaving no widow or minor children. He entered the department on October 14, 1967 and retired on December 26, 1992 with 25 years of service. He spent 24 years on pension.

**W. Wayne Kerth:** Mr. Kerth died on September 20, 2017 at the age of 73, leaving a widow and no minor children. He entered the department on January 25, 1964 and retired after 26 years of service on August 19, 1990. He spent 27 years on pension.

**George H. Conrad, Sr.:** Mr. Conrad died on September 23, 2017 at the age of 88, leaving no widow and no minor children. He entered the department on October 24, 1956 and retired on August 12, 1977 after 20 years of service. He spent 40 years on pension.

**Widows:**

**Rosetta Shields:** Mrs. Shields died on September 17, 2017 at the age of 84. Her benefits began on December 1, 2012. She was on benefits for four years.

**Mrs. Elaine Glaeser:** Mrs. Glaeser died on September 29, 2017 at the age of 96. Her benefits began on May 1, 1982 and continued for 35 years.

**Sarah M. Delucca:** Mrs. Delucca died on September 23, 2017 at the age of 73. Her benefits began on June 1, 1981 per the terms of her QDRO. She was on benefits for 36 years.

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

**Motion passed.**

**NO OBJECTIONS**

**WIDOW'S APPLICATIONS**

**Judy Delucca:** Mrs. Delucca, a widow receiving benefits reduced by a QDRO is eligible for a pop up in benefits as the QDRO payee has passed away.

**MOTION:** Moved by Meagher and seconded by Lavene to approve the pop-up in benefits to Mrs. Delucca as a result of the death of the QDRO.

**Motion passed.**

**NO OBJECTIONS**

**APPLICATIONS PENDING**

**None**

**FINANCIAL INFORMATION**

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

Meagher noted that Mike Conefry was available to present the 2016 Actuarial reports.

**MOTION:** Moved by Meagher and seconded by Gaal to take the presenters out of order on the agenda.

**Motion passed.**

**NO OBJECTIONS**

**Actuarial presentation:** Mike Conefry followed with a presentation on the 12/31/16 Actuarial valuations of the Old and New System Funds.

**OLD Fund:** This fund has no active members and an annual payroll of \$16.1 million for 504 retirees and beneficiaries. DROP and PLOP obligations total \$1.9 million and \$2.1 million respectively for current members. The average future life expectancy is 12.21 years for retirees and survivors. The plan is not actuarially funded.

**NEW Fund:** Conefry noted that the annual payroll totals \$27.149 million for 505 active members (including DROP). The average age of active members is 40.6 and average years of service are 13.4 years. Average future working lifetime for active members under retirement age assumption is 14.3 years.

Annual payroll for 812 retired members and beneficiaries total \$27.9 million, including 76 persons on DROP. DROP and PLOP account balances owed retired members total \$29.2 million and \$17.7 million respectively. The current actuarial funding method is Entry Age

Normal Cost Method with a 30 year level dollar amortization annual required contribution. The employer contribution rate amounts to 123.9% of active payroll. The funding ration is 10.9%.

Conefry discussed prior period returns, hypothetical market values answered Board questions before closing his presentation.

**OLD BUSINESS:**

**SEB payment history request:** No update provided.

**Old System Reserve:** Meagher reminded the Board that the Old System's reserves will be depleted at year end. Without a reserve benefit payments to the Old Fund members could be missed or delayed if the appropriations are not received timely from the City. He noted that Norman Foster considered returning a reserve amount to the Old Fund earlier this year and asked that efforts be made to consider placing a reserve back in the Old Fund. Ms. Gariepy was not at the meeting.

**Information for life insurance:** Staff has confirmed life insurance coverage for certain members who retired disabled. City Hall representatives have refused to provide members of the fund with a listing of persons covered under this policy citing privacy issues. Discussion followed.

**Waiver of recourse fee for Fiduciary Insurance** Ms. Gariepy is notified that a \$25 recourse fee is due.

**Employee contribution while on DROP:** the City has informed staff that the payroll program does not allow collection of contributions after a member has completed or revoked DROP. The Board would like to discuss this matter with Ms. Gariepy.

**NEW BUSINESS:**

**Expense Committee:** Members of the expense committee met prior to the start of this board meeting to review expense vouchers and credit card documentation of Board members and staff. The committee noted no exceptions during their review of vouchers through the period ended September 30, 2017.

**MOTION:** Moved by Gaal and seconded by Marchese to acknowledge receipt of the Expense Committee's review.

Motion passed.

**NO OBJECTIONS**

**Disability certifications:** All disability certifications have been received.

**Maritime Bldg. sale:** Meagher noted that the Maritime Building was sold for \$2.5 million.

**LEGAL:**

Ms. Carroll led the discussion on the following:

- Ms. Carroll has provided the Board with a resolution to be approved by the Board which will be used to provide guidance and support for members who have voluntarily separated and are subsequently reinstated to their former or higher positions. Those reinstatements will be eligible to have benefits calculated at accrual rates in effect during their initial employment period subject to those members being eligible to receive service credits for prior employment (break in service). To be eligible for service credits for prior employment, after a break in service, the member must have left his contributions with the Fund for time earned before the break in service or bought back prior service time as determined by the Fund’s actuary. The resolution is attached to the minutes.
- The appeal to the alternative interpretation was filed during April. Oral arguments were held on September 12, 2017. Counsel felt very good about the hearing. We should have a decision in one to two months.
- The Lakewood matter is set for mediation in October 25, 2017. This matter was discussed in executive session.

**MOTION:** Moved by Meagher and seconded by Gaal to go into executive session to discuss legal matters.

Motion passed.

**NO OBJECTIONS**

**MOTION:** Moved by Gaal and seconded by Marchese to come out of executive session

Motion passed.

**NO OBJECTIONS**

**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: Thomas F. Shughart III Date: 12/13/17