

NEW ORLEANS FIREFIGHTERS' PENSION AND RELIEF FUND

Martin Gaal
Board President

Thomas F. Meagher, III
Secretary-Treasurer

SUBJECT:

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

TIME, DATE AND PLACE:

**November 11, 2020
2401 Westbend Parkway
Suite 3001
New Orleans, Louisiana 70130**

This meeting was held via zoom.

The following members of the Board of Trustees were present: Thomas Meagher, Martin Gaal, Stephen Roy, Branden Krsak, Al Tervalon, and Roman Nelson. Norman White was absent.

Also present:

Pam Meyer

Louis Robein, Board Attorney

Paul Mitchell

Varrick Dyer, active firefighter

Mike Conefry, actuary

A quorum being present, the Board President called the meeting to order at 10:06 a.m.

COMMUNICATIONS

None

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Meagher and seconded by Gaal to approve the October 2020 Regular Board minutes with corrections.

Motion passed.

NO OBJECTIONS

REFUND OF CONTRIBUTIONS

None

CHANGE OF BENEFICIARY

None

MOTION: Moved by Meagher and seconded by Krsak to go into executive session to discuss disability matters related to applicants.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Krsak to come out of executive session to discuss disability matters related to applicants.

Motion passed.

NO OBJECTIONS

R.S. 11:3376 DISABILITY APPLICATIONS

Adam Campbell: New Fund Fire district Chief, age 62 with 30 years of service is applying for a 50% Service Connected disability effective November 11, 2020.

MOTION: Moved by Meagher and seconded by Krsak to approve 50% service connected Disability Pension which provides that benefits are calculated at 2 ½% of the member's average 60 month compensation for the first twelve years of service and all years of service until the member has reached 50 years of age; and 3 1/3% of his average 60 month pensionable compensation for all years of service and any portion of a year beyond 12 years of service and 50 years of age; If the member has beyond 30 years of service the retirement benefit for each year or portion of a year shall be 3 1/3% of the average 60 month pensionable compensation up to 100% of pensionable salary.

Motion passed.

NO OBJECTIONS

REGULAR PENSION APPLICATIONS:

None

PLOP APPROVALS

None

DROP WITHDRAWAL

None

DROP APPLICATIONS

Stephen T. Condon: New Fund Fire Operator, age 55, with 30 years of service is applying to enter DROP effective November 1, 2020.

MOTION: Moved by Meagher and seconded by Roy to approve a DROP application which provides that benefits are calculated at 2 ½% of the member's average 60 month compensation for the first twelve years of service and all years of service until the member has reached 50 years of age; and 3 1/3% of his average 60 month pensionable compensation for all years of service and any portion of a year beyond 12 years of service and 50 years of age; If the member has beyond 30 years of service the retirement benefit for each year or portion of a year shall be 3 1/3% of the average 60 month pensionable compensation up to 100% of pensionable salary.

Motion passed.

NO OBJECTIONS

REPORTS OF DEATHS

Pensioners:

Michael P. Burke died on October 9, 2020 at the age of 50, leaving a widow and no minor children. He entered the department on October 27, 1999 and retired on January 3, 2007 with 9 years of service. He spent 13 years on pension.

Forest J. Baroni died on October 31, 2020 at the age of 76, leaving a widow and no minor children. He entered the department on December 14, 1963 and retired on October 17, 1987 after 23 years of service. He spent 33 years on pension.

Donald Brown died on October 25, 2020 at the age of 85, leaving a widow and no minor children. He entered the department on August 10, 1963 and retired on January 17, 1986 with 22 years of service. He spent 34 years on pension.

Robert W. Fernandez died on November 4, 2020 at the age of 78, leaving a widow and no minor children. He entered the department on August 30, 1963 and retired on March 16, 1978 after 16 years of service. He spent 42 years on pension.

Widows:

Mrs. Dolores M. Libby died during August 2020 at the age of 94. Her benefits began on August 11, 1995. She enjoyed benefits for 25 years.

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. Ellen Burke is applying for a Non Duty Death benefit effective November 1, 2020.

MOTION: Moved by Gaal and seconded by Meagher to approve a non-duty death benefit effective November 1, 2020.

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 October 2020.

OLD BUSINESS:

SEB payment history request: No update provided

Information for life insurance: No update provided

Building Update: Mr. Meagher noted that he is submitting applications to the City of New Orleans Planning Commission for the resubdivision of the two lots at 5704 and 5710 General Haig into one parcel. The application process requires a resolution from the Board authorizing Mr. Meagher to represent the board in this matter.

MOTION: Moved by Gaal and seconded by Roy to approve the preparation of a resolution authorizing Mr. Meagher to proceed with the application of the subdivision change and any other zoning matters related to the construction of the new office building at the General Haig property.

Motion Passed

NO OBJECTIONS

NEW BUSINESS

Report from the Actuary

Mike Conefry was available to present a summary of his actuarial reports on the New and Old Systems. A copy of his summaries is included in the minutes. Complete actuarial reports are on the website.

MOTION: Moved by Meagher and seconded by Roy to approve the receipt of the actuarial reports.

Motion passed.

NO OBJECTIONS

LEGAL:

Triche trial has moved again.

The SEB litigation was decided in favor of the Fund. Member's disability date will remain unchanged.

Citco matter went back to the 5th Circuit.

MOTION: Moved by Meagher and seconded by Gaal to go into executive session to discuss benefit matters related to applicants.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Gaal to come out of executive session to discuss benefit matters related to applicants.

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:



Date 12/9/2020

CONEFRY & COMPANY, L.L.C.

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November 11, 2020

Firefighters' Pension and Relief Fund for the City of New Orleans

Key Facts from 12/31/2019 Actuarial Valuation (New System)

Annual Active Payroll: \$28.816 million for 461 active (excluding DROP). Average age of active members is 41.7 and average service is 14.5 years. Average future working lifetime for active members under retirement age assumption is 13.6 years.

Annual Inactive Payroll (benefit payments): \$30.62 million for 844 retirees & beneficiaries, including 85 DROP with annual benefit payments of \$5.2 million. DROP account balances are \$19.8 million and PLOP account balances are \$9.2 million. Average future life expectancy is 18.5 years for retirees, DROP members and survivors.

CURRENT ACTUARIAL FUNDING METHOD

Entry Age Normal Cost Method (EAN) with 30 year level dollar amortization Annual Required Contribution (ARC):

Less, Total: 132.973% of active payroll, or \$ 38.3 million
Employee: 10.000% of active payroll, or \$ 2.9 million

Employer: 122.973% of active payroll, or \$ 35.4 million

Funded Ratio:

Actuarial Value of Assets divided by "Projected Benefit Obligation":

$$\$41,949,945 / \$410,342,378 = 10.2\%$$

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Key Facts from 12/31/2019 Actuarial Valuation (New System)
(continued)

Notes on Historical Investment Performance

Actual "Dollar-Weighted" Rates of Return:

Compound Average Rate of Return from 1/1/1989 through 12/31/2019: 4.7186%
Compound Average Rate of Return from 1/1/1989 through 12/31/1999: 10.7924%
Compound Average Rate of Return from 1/1/1989 through 12/31/2007: 8.1479
Compound Average Rate of Return from 1/1/2000 through 12/31/2019: -0.2099%

Hypothetical Market Values Based on Assumed Actuarial Investment Return of 7.5% and Actual Fund Cash Flow:

Actual Market Value on 12/31/2019:

\$
41,949,94
5

Market Value on 12/31/2019 based on assumed 7.5% average annual return 1/1/1989 through 12/31/2019:

\$307,296,
615

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In order to have produced a Funded Ratio on 12/31/2019 of 100%, the actual market value would have had to be equal to the PBO, or \$410,342,398, as of that date:

Hypothetical Market Value on 12/31/2019 based on assumed 8.1389% average annual return 1/1/1989 through 12/31/2019:

\$410,342,398

November 11, 2020

Firefighters' Pension and Relief Fund for the City of New Orleans

Key Facts from 12/31/2019 Actuarial Valuation (Old System)

Active Members: none.

Annual Inactive Payroll (benefit payments): \$13.3 million for 427 retirees & beneficiaries, including 0 DROP members in course of payment. DROP account balances (on behalf of former DROP members with accounts on deposit) are \$0.8 million and PLOP account balances are \$1.1 million. Average future life expectancy is 9.66 years for retirees and survivors.

CURRENT ACTUARIAL FUNDING METHOD

None. Plan is not actuarially funded

Funded Ratio:

Actuarial Value of Assets divided by "Projected Benefit Obligation":
0 divided by \$92,102,854 = 0.0%