

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:

**December 11, 2019
2401 Westbend Parkway
Suite 3001
New Orleans, Louisiana 70130**

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

Also present:

**Pam Meyer
Louis Robein, Board Attorney
Paul Mitchell
Deputy Chief Nelson
Kenny Prevost, retired firefighter
Robert Tarcza, Board Attorney**

A quorum being present, the Board President called the meeting to order at 10:05 a.m.

COMMUNICATIONS:(Communications were delivered at the end of the meeting and moved to this section during printing)

Mr. Meagher requested that the minutes reflect the contributions of Mr. Marchese and Mr. Lavene, two former Board members, are recognized. He offered the following:

I would like to take this opportunity to recognize the contributions of two former Board members who are here today, Mr. Marchese who was happily retired from the New Orleans Fire Department for over 20 years and Mr. Lavene an active firefighter. In mid-2013, following significant controversy between the former Board and former Administration these two

gentlemen decided to seek Board positions with the hopes of making a positive impact on benefits and financial wellbeing of the Fund for current and future retirees.

Both men began their terms following the August 2013 election. Since that time and during their tenure these men:

- Helped the fund transition to a new investment consultant, reduced investment expenses and administrative expenses. For example, Bodghan was hired at an annual fee of \$300,000. Four years later the fee has been reduced to \$80,000 as the portfolio has been restructured and most of the direct investments and hedge funds have been liquidated. Travel, educational expenses and direct investment expenses (capital calls) have reduced total expenses by millions.
- Directed substantial restructuring of the portfolio. Two hotels have been sold and three office buildings, The Maritime Building, Saratoga Lofts and Stephens Garage in downtown New Orleans have been liquidated after both gentlemen decided it was time for the developer to pay or litigate, sold the FNBC stock for a nice profit (\$14/share) a few years before the bank collapsed.
- Assisted in restructuring of the Falconhead Golf course water agreement, a \$1 million reduction in fees, adding profitability to the course which was then sold for over \$6 million.
- Negotiated the reduction of over \$25 million in loans against the Lakewood Golf course for a net \$4 million.
- Hired a new Fund Doctor, formalized the disability retirement application process and improved the supporting documentation for medical disability applicants.
- Resolved the severe underfunding issue with the administration and the longevity lawsuit. The City is now legally obligated to make actuarially determined required contributions to the Fund. The longevity payments required passage of a millage and is funded over a 13 year period.
- Began equity and fixed income investments. Currently approximately \$35 million (75% vs 10%) of the Fund's assets are invested in liquid instruments. Member DROP balances are now fully liquid and available.

There are many other things these former Board members accomplished including meeting with their peers to answer retirement related issues and providing assurances to retired members that they were working hard to maintain pension payments.

REVIEW AND ACCEPT MINUTES

MOTION: Moved by Meagher and seconded by Roy to approve the October 2019 Regular Board minutes and the minutes of the October 24, 2019 Special meeting. There was no November 2019 board meeting due to lack of an agenda.

Motion passed.

NO OBJECTIONS

REFUND OF CONTRIBUTIONS

Gregory Jones, Jr. and Larry A. Synder have resigned and are requesting a refund of employee contributions.

MOTION: Moved by Meagher and seconded by Gaal to approve the refund of employee contributions for Mr. Jones and Synder.

Motion passed.

NO OBJECTIONS

CHANGE OF BENEFICIARY

None

Norm White entered the meeting.

R.S. 11:3376 DISABILITY APPLICATIONS

None

PLOP APPROVALS

None

DROP WITHDRAWAL

None

REGULAR RETIREMENT APPLICANTS:

None

DROP APPLICATIONS

Francis A. Williams: New Fund fire District Chief, age 58 with 30 years of service is applying for DROP effective January 1, 2020.

MOTION: Moved by Meagher and seconded by Gaal to approve the 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

Robert J. Pitre, Sr.: New Fund fire District Chief, age 55 with 30 years of service is applying for DROP effective November 1, 2019.

MOTION: Moved by Meagher and seconded by Gaal to approve the 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

Terry Hardy: New Fund fire District Chief, age 54 with 30 years of service is applying for DROP effective August 1, 2019.

MOTION: Moved by Meagher and seconded by Gaal to approve the 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:

Earl H. Hellmers, Jr. Mr. Hellmers died on October 26, 2019 at the age of 70, leaving a widow and no minor children. He entered the department on November 13, 1972 and retired on November 16, 2000 after 28 years of service. He spent 19 years on pension.

Henry I. DiFranco: Mr. DiFranco died on October 26, 2019 at the age of 73, leaving a widow and no minor children. He entered the department on August 25, 1967 and retired on January 16, 1974 after 6 years of service. He spent 45 years on pension.

Thomas J. St. Germain, Jr.: Mr. Germain died on November 6, 2019 at the age of 89, leaving a widow and no minor children. He entered the department on July 11, 1954 and retired on March 5, 1987 after 33 years of service. He spent 32 years on pension.

Wayne D. Corcoran, Sr.: Mr. Corcoran died on November 16, 2019 at the age of 70, leaving a widow and no minor children. He entered the department on August 28, 1983 and retired on October 31, 2012. He spent 7 years on pension.

Charles Sanders: Mr. Sanders died on November 14, 2019 at the age of 76 leaving a widow and no minor children. He entered the department on October 7, 1965 and retired on February 17, 1990 after 25 years of service. He spent 29 years on pension.

Alan J. Melancon: Mr. Melancon died on December 2, 2019 at the age of 72, leaving a widow and no minor children. He entered the department on January 29, 1967 and retired on March 8, 2000, after 33 years of service. He spent 18 years on pension.

Widows:

Dorothy W. Sturtevant (Walter): Mrs. Sturtevant died on November 10,, 2019 at the age of 94. Her benefits began on May 2008.

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. Elizabeth Hetrick (Melvin): is applying for a Non-duty widow's benefit effective November 1, 2019.

MOTION: Moved by Meagher and seconded by Roy to approve the Non Duty Widow's Benefit effective September 1, 2019 for Mrs. Hetrick.

Motion passed.

NO OBJECTIONS

Mrs. Georgiana DiFranco (Henry): is applying for a Non-duty widow's benefit effective November 1, 2019.

MOTION: Moved by Meagher and seconded by Gaal to approve the Non Duty Widow's Benefit effective October 1, 2019 for Mrs. Dalon.

Motion passed.

NO OBJECTIONS

APPLICATIONS PENDING

Riney Blount has filed an appeal of the Board's decision. No new information has been forwarded to the Board. A date and time for the appeal hearing will be established once additional medical information has been provided to the Fund.

FINANCIAL INFORMATION

Board members were provided with key financial revenue and disbursement figures for the New and Old system for October and November 2019.

OLD BUSINESS:

SEB payment history request: No update provided

Information for life insurance: No update provided

NEW BUSINESS:

Rule IX notifications, terminations and resignations: The Fund has requested that headquarters notify employees of the pension fund of all Rule IX, termination and resignation actions taken by them. This notification would allow us to better assist affected employees.

Sick Leave adjustment Mr. McConnell was reminded that sick leave adjustments due certain members as a result of the alternative interpretation court decision have not been posted to the member's account. Mr. McConnell noted that he will take the necessary steps to get the task accomplished.

Sick Leave and Annual Leave-office personnel: The Board is requested to approve the cash out of unused sick and annual leave balances above two weeks for Board Staff.

MOTION: Moved by Gaal and seconded by Roy to allow the staff to cash out sick and annual leave in excess of 10 days of sick and 10 days of annual leave.

Motion passed. Meagher abstained.

Longevity payment: City officials have confirmed all is in place to make the \$5,000,000 payment by year end. Distribution of the 2020 longevity payment is set for Feb 4&5, 2020.

LEGAL

Lakewood Development: Meagher confirmed that the purchase agreement for the Bank building and vacant land north of the bank was signed. Closing is expected in about 120 days. He also noted that renovations of the club house are underway.

Lakeview Property update: Mr. Meagher noted that Bob Tarcza has drafted a Cooperative Endeavor Agreement between the Board and Local 632. The agreement outlines each party's responsibilities with respect to the new building. Details of the agreement were outlined by Mr. Tarcza. Meagher has requested that Board members review the document and be prepared to ask questions and adopt same in January. Preliminary drawings of the new office building were available for Board member review as well.

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. Meagher III **By** 12/11/2019