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From the Desk of the Executive Director

Seasons Greetings from All of Us to All of You! 'Tis the season to be jolly, relax, enjoy family and friends and contemplate doing better next year. We did as well as we could this year, folks. We gave it our all, as we are sure you did, too. Given the many things that have happened this year, we are feeling pretty good about our fund and where we are. While the US economy seems to be in the doldrums, we think the underlying corporate economy is in better shape and poised for a rebound once there is resolution on the horizon for the US and European economies. At least, one can only hope.

In the meantime, we have our business to attend to, and that is what this issue is about. By now, you have received the Annual Report and should be aware, and I trust, satisfied with our financial condition. If not, please call and ask questions. You will get responsive and responsible answers.

In this issue, we have a couple of very important issues to discuss with you. First and foremost, following up on the two latest issues that surfaced our funding status and dues, we have an article related to our plan to approach the General Assembly for an increase in dues. We do not take this lightly, as you will note from the discussion, but rather have studied it carefully. It has been too long since we have increased dues, and the longer we wait, the greater the burden when we do require an increase,

because the increase has to be that much more.

Secondly, for many years, we have been queried by volunteer and combination departments regarding why volunteers cannot get credit for training taken at Forsyth or other locations. In our Symposiums, led by David Luther, we are also hearing about efforts put in by volunteers at the station for which they get no credit. We are proposing a "point system" as an enhancement to the "50% Rule" within the confines of the Code to better define the performance of a volunteer for creditable service and remove some of the subjectivity from the scoring. It will allow some credit for offsite training and "station duty." Your comments are requested.

We do our best for what is right for the fund and the participants, for the long term. Raising the dues is the right thing to do for the fund; changing to this point system is the right thing to do for the volunteers. Adding part timers several years ago, we thought was right, but it did not work out; we have to change it. We will fix it. Over the years, there will be ups and downs, and a mis-step here and there as we offer to bring to you what we hope is the best value for your dues and your work to serve your communities and the risk you take.

...Continued on Page 2...

**Trustees Vote
to Forego
January 1, 2012 COLA
...Page 5**

*Meet
Our
Managers...*

*Dimensional
Fund
Advisors...*

Dimensional Fund Advisors (DFA or Dimensional) is an investment firm headquartered in Austin, Texas with regional offices in Amsterdam, Berlin, London, Santa Monica, Sydney, and Vancouver. The company was founded in 1981 by David G. Booth and Rex Sinquefield, both graduates of the University of Chicago - Booth School of Business. As of December 31, 2010, they had approximately \$206 Billion of assets under management. Its mutual funds are not offered directly to the public, but only to institutional investors and through approved fee-only Registered Investment Advisors. The company is owned by its employees, board members and a number of outside investors.

DFA's objective is to deliver the performance of capital markets and increase returns through state-of-the-art portfolio design and trading. The company's board of directors includes Myron Scholes who won the Nobel Prize for economics. The late Merton Miller, another Nobel laureate, was also on the board of directors, as was Robert C. Merton before he became the company's Resident Scientist. Other directors include leading economists such as George Constantinides, Eugene Fama, Kenneth French, and Roger G. Ibbotson.

The Georgia Firefighters' Pension Fund invests in DFA's small cap value fund portfolio. The Portfolio invests in securities of US companies with market capitalizations within the smallest 10% of the market universe or smaller than the 1,000th largest US company, whichever results in a higher market capitalization break. On

December 31, 2011, this meant a company with a market cap of \$2.357 billion or less. The market universe is comprised of companies listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ National Market System. After identifying the aggregate market capitalization break, a value screen is applied to the universe. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (BtM). The returns of the portfolio are benchmarked against the Russell 2000 Value Index.

DFA believes that equity investing should involve a long-term view and a systematic focus on sources of expected returns, not on stock picking or market timing. It is not the intent of DFA to purchase or sell securities for the investment portfolio based on prospects for the economy, the securities markets or the individual issuers whose shares are eligible for purchase. In constructing an investment portfolio, they identify a broadly diversified universe of eligible securities with precisely-defined risk and return characteristics. They then place a priority on efficiently managing portfolio turnover and keeping trading costs low. With a track record dating back nearly 20 years (The Small-Cap Value Fund's inception was February of 1992), they have used these beliefs and guidelines to outperform their bench mark by over 300 basis points (annualized) over this time.



Morgan Wurst

...Continued from Page 1...From The Desk Of the Executive Director ...

We cannot be reticent to take a little risk ourselves.

We wish you all a Very Merry Christmas and a Happy New Year!



Jim Meynard

Board to Seek \$10 Dues Increase

In the last two (2) issues of this newsletter, we have shared with you how our fund is positioned relative to the revenue we receive in taxes and dues and the benefits we pay out. We discussed how that is progressing and how we are slowly and increasingly falling behind. When the capital markets are good, we can make up that difference with growth and earnings on the portfolio. When the markets are weak or volatile, such as they have been of late, we must make up that difference from the corpus of the portfolio. Inasmuch as we would like to preserve the corpus as much as possible to support future benefits and protect the funding ratio, we have been looking for ways and means to bolster the fund over the last year.

Wherever we look in our system, we find, and have implemented and/or are implementing changes that portend some savings or enhanced revenues. But, each of these is small and of little consequence. We have come to the conclusion that it is time to increase the dues. Indeed, it is past time to increase the dues. As we noted in the last issue, it has been twenty-three (23) years since we increased dues. During that time period, we have had good success in the capital markets, and the funding ratio has been quite healthy. For the better part of that period, we have been able to offer COLAs and other benefit increases. So, during that period, we have allowed the dues to get quite out of alignment with the benefits.

When the Fund last sought and secured a dues increase, the dues were \$10 per month and the benefit was \$500. Then the dues represented 2.0% of the monthly benefit. A member paid in \$3000 in a 25-year career and received a return of paid in dues in 6 months, ($\$3000/\$500=6$).

The dues were increased to \$15 per month, representing 3.0% of the \$500 monthly benefit. A member paid in \$4500 in a 25-year career and, if the Fund remained static, would expect to get all dues back in 9 months, ($\$4500$

$/\$500=9$).

Dues for members of the GFPF are currently \$15 per month, which represents 1.7% of the \$882 monthly benefit. A member will expect to get all dues paid in back in a matter of a little over 5 months, ($\$4500/\$882=5.1$).

We propose to seek an increase in dues to \$25 per month, which will represent 2.8% of the \$882 monthly benefit. Under these circumstances a member will pay in 25 years \$7500 and, if the Fund were to remain static, will receive a return of all of the paid in dues in 8.5 months, ($\$7500/\$882=8.5$). With this increase, we will be in a more favorable relationship of dues to benefits than we were after the increase in 1988.

In 1988, dues contributed significantly to the corpus and the payment of benefits. Today dues play a less significant role in the benefit payment scheme, but should still be a factor in the financial health of the Fund. As we noted in the COLA article two (2) issues ago, we have a \$4.6 million annual shortfall in revenue to benefit expense. This increase in dues will yield about \$1.5 million in additional dues revenues, and as such, will help to make up some of that deficit and contribute to the relative health of the fund.

And speaking of benefits, a member retiring at 25 years of service, with full benefits of \$882 per month would receive, over a 20-year retirement, \$211,680 for his/her dues of \$7500; again, if the fund were to remain static over that time period. Still a lucrative program.

As always, we appreciate your support as we bring this request to the General Assembly this session. We also welcome your questions and comments regarding the issue. Should we get agreement from the General Assembly and the Governor's concurrence; the change will be effective July 1, 2012.



Jim Meynard

GFPF Comings and Goings

Donna Sherwood Resigns... Effective August 26, 2011, Donna Sherwood, our Dues & Revenue Specialist, has resigned to pursue other interests. While we will miss Donna and her contributions, we wish her success in her future endeavors.

Patricia Ciancuielli Accepts Dues & Revenue Specialist position... The Georgia Firefighters' Pension Fund is pleased to announce that effective October 31, 2011, Pat Ciancuielli has accepted the position of the Dues & Revenue Specialist, reporting to the Operations Manager.

Please join us in welcoming Pat aboard.



Juanita Whetzel

Volunteer Point System

It has often been discussed as to why extra training and other activities performed by volunteers could not be used in the computing of annual training credits. Well, over time we have given a lot of thought to this, and sought out areas in which we felt we could do exactly that. We feel that, while State Code O.C.G. A. § 47-7-81 may be intentionally vague; it is on the other hand quite specific in dealing with this very subject. According to the code, "in no case shall the annual percentage for attendance be set by the board at less than 50%". The board is though, authorized to determine and prescribe the application of attendance, as long as the percentage does not fall below that level. With that being said, the board is also given authority to prescribe how that percentage is assigned, calculated and applied. With that interpretation in mind, we have made what we feel to be some positive changes to our volunteer point system.

One of our goals has been to develop a program in which additional efforts in firefighter training activities may be counted towards creditable service. With firefighter input, through four (4) annual fire chief symposiums and numerous conversations across the state, we feel we are now ready to propose a fair and equitable system. A system which we feel can meet the original intent of the code. We feel confident this upgraded point system will recognize additional participation by members, without penalizing others, specifically those who meet 50% of the station/group activities, but are unable to participate in additional opportunities.

During the symposiums, we compiled a long list of excellent suggestions. In the end though, the task was to determine and focus on those which would meet the legislative intent in the creation of the fund, which was improving the fire service in the State of Georgia. One request high on the list was that documentation and reporting must not

be complicated. It was agreed that when documentation becomes a burden, it often goes undone. That sentiment was oft repeated and always taken into consideration. Other questions dealt with interpretation of the Code itself and some of our terminology in the rules and regulations. So, as we incorporate these "upgrades" to the rules and regulations, we will also be looking for other wording in these documents that might be considered confusing and make the appropriate changes.

Following is a brief summary of the Symposiums suggestions and the changes we are preparing for.

Definitions:

Pension Creditable Service - Credit is earned and awarded in points. One point is earned for each fire call and one point for each hour of department or Station Activity*. The Department or Station points are the sum of points counted by the Chief for creditable calls (see below) plus Station Activity undertaken by the Department or Station as a group. To earn one year of pension creditable service, a volunteer must achieve a point total of at least 50% of the total department or station points.

Fire Call - A creditable call must be a general call, particular to the specific group being called. Within these parameters it is left up to the discretion of the fire chief to define the calls for his department. Under the chief's definition of a call, application and awarding of credit must be consistent. The call would count for or against all members of the assigned group. It will also be determined by the chief whether or not cancelled calls and false alarms are counted as creditable calls. Its application though, must also be consistent. Credit for attendance at calls within the same department, but at another station may be earned with the chief's approval.

...Continued on Page 6...

Election of Officers

At the November 16, 2011 Board of Trustees Meeting, Captain Rita D. Smith-Cain was elected Chair of the Board of Trustees of the Georgia Firefighters' Pension Fund and Mr. Allen A. Conger, Sr., was elected Vice-Chair.



Juanita Whetzel

Rules and Regulations

This is the sixth of a continuing series regarding the Rules and Regulations that were effective September 9, 2009. We have received some questions regarding the changes that were made, so we are going to explain each Rule in the newsletters until we have covered all of them. We understand that things happen that seem complicated. We want to help the membership understand what they need to know about the Fund and how to address these issues. In this writing we will explain the Tenth and Eleventh Rules.

Rule 513-7-1-10 Payment of Dues. Amended.

Dues are currently \$15.00 a month and are due by the tenth (10th) day of each month. If your dues are paid by direct debit, dues are debited on the fifteenth (15th) day of each month. Dues paid by check or money order can be paid up to one year in advance.

You can pay your dues by personal check, money order or direct debit. We ask that you put your Member I.D. or Social Security Number on your check or money order so that it will be posted to the correct individual. We have participants with the same first and last name, so it makes it a lot easier if we have a way of identifying the right individual.

We allow two (2) returned items from the bank should you have insufficient funds or your bank account is compromised. If you have a third item returned, you will be required to pay dues by money order or certified funds only. If you have a returned item from the bank for any reason you will be charged a "returned items" charge in the amount of \$15.00.

In order to participate in the direct debit program your dues must be current and stay current to continue

in the program.

There are several fire departments that submit dues on behalf of their members. It is still the responsibility of the member to make sure his/her dues are paid. The fire department must submit a list of members along with the dues payment

The fire department must enclose a copy of the Pension Funds' dues receipt with the names of the members for whom they are submitting dues. Any deletions or additions to the list must also be provided to the Fund by the fire department.

Dues are not effective until received in the Pension Fund Office. If you decide to leave the fire service or Pension Fund for any reason you may request a refund of dues less a 5% administrative fee. Paid dues are refunded to the member regardless of the source of payment.

Rule 513-7-1-11 Delinquent of Dues. Amended.

If your dues become five (5) months delinquent the Pension Fund will notify you by first class mail, to the address we have on file. A copy will also be sent to your fire department. At this point you have thirty (30) days to submit your delinquent payment. If we do not receive a payment and you become six (6) months delinquent, you will be suspended from membership in the Fund. A notice of suspension will be sent by first class mail to you and your fire department. At this time, a refund of 95% of the dues paid is available for refund to you upon request.

Do not rely on delinquent notifications. They are sent as a matter of courtesy. The Pension Fund is not liable if you do not receive the notice. It is still your responsibility to make sure that your dues are current.

Trustees Vote to Forego January 1, 2012 COLA

At the regularly scheduled meeting of the Board of Trustees, on November 16, 2011, the Trustees voted unanimously to forego granting a Cost of Living Increase, COLA, based on the recommendation of the Fund's Actuarial Consultant. However, the Board feels that the assets are well diversified and under good stewardship.

The Board appreciates the continued patience and understanding of the participants of the Fund and all of its retirees as we continue to navigate through some difficult times.



Juanita Whetzel



Sharon Drake

...Continued from Page 4...Volunteer Point System...

A member must attend at least 25% of station calls to qualify annually.

Station Duty - Additional credit points may be earned by performing pre-scheduled, pre-approved station duty. Additional points for station duty shall be earned in 2 hour blocks of time. Each 2-hour block will earn one (1) additional credit point. Station duty credit and additional training credit cannot be earned concurrently. Station duty points shall not account for more than 25% of member's annual pension eligible points.

Credit For Additional Training - Additional training is defined as organized training which takes place outside the departments regularly scheduled station activity. Additional training credit points will be awarded one point for each hour of training. Ad-

ditional training shall be approved by, and contain the signature of the member's chief or their registered designee. It shall also contain the name and signature of the class training officer. Additional training credit points cannot account for more than 25% of the member's annual pension eligible points.

We plan to implement this point system for calendar year 2012. Look fore more detailed information to come soon.

Station Activity* - A member must attend at least 25% of station activity to qualify annually.

***(Station Activity is defined as approved training, drills, and/or meetings.)**



David Luther

CONTINUED**COST****SAVINGS!!!!**

The

GFPF NEWS

and

Annual Report

are

Created,

Edited,

Published

and

Printed

In-house.

Are You Saving Enough?

As we approach the end of the year, all of us are beginning to think about our year-end tax return and the associated issues that come with it. But, how about the year to follow and the issues that comes with it? And, the years and the years after that? Are you thinking about that? And, are you preparing for retirement, eventually?

Recent research shows that many current workers will not have sufficient retirement savings even if they delay or defer retirement into their 70's. Much depends, of course, on pre-retirement income and how one accrues savings in retirement plans such as 401k and 457 plans, and how well those plan investments perform. That same research, however, shows that new workers are tending to put less into these pre-tax savings plans rather than more, opting for the 3% option rather than the 10% option. But, especially now, when the capital markets are in distress, it is a good time to try to put as much as possible in the pre-tax payroll savings plans as possible.

It is a difficult conundrum in these economic hard times to put money aside for retirement 20 or 30 years from now, when there are more immediate needs at the front door. But, that which you can save now will secure assets that will be worth more in those 20 or 30 years than the assets you will be able to secure 20 or 30 years from now, just ask anyone who is trying to retire today who did not start saving 30 years ago.

As we consider the long term, the Georgia Firefighters' Pension Fund will remain a supplemental benefit. Social Security, if you are a participant, however it may be "reformed" over the long term, will remain a supplemental benefit. So to fill in a complete retirement income package, you will require income from other sources as may be available, such as: an employer's retirement plan, your 401k/457 plan, your IRA savings plans or other sources.

As we have noted in previous articles, it is never too early to start planning for retirement, at least not for the financial aspect of retirement.



Jim Meynard

Georgia Firefighter's Pension Fund

Vital Statistics as of November 30, 2011

(FINANCIALS ARE PRELIMINARY)

Assets \$532,807,167

Active Members 12,909

Retirees 4,042

FUND PERFORMANCE

Current Month -0.6%

Calendar Year 2011 (January 1–November 30, 2011) -0.6%

Fiscal Year to Date (July 1, 2011–November 30, 2011) -5.6%

RETIREMENT BENEFITS

Full Retirement (25 years service/age 55) \$882 per month

Early Retirement (15 years service/age 50) \$370 per month

Average Benefit Payment \$702 per month

EXPECTED AVERAGE BENEFIT

PAYOUT OVER 25 YEARS

\$210,600.00

Reminders for Retirees

- Correct and Updated Mailing Addresses - If a retiree's mail is returned undeliverable, benefit payments may be suspended until written notice of your correct address is received in the Pension Office. Please keep us updated with any address changes.
- Conversion of Benefits - Any retiree receiving benefits under the Joint and Survivor option, may convert their benefits to Regular Retirement in the event of death or divorce of their spouse. Notify the Pension Office to obtain necessary forms.
- Mailing of Benefit Payments - Checks are mailed a few days prior to the last day of the month from Jacksonville Florida. Due to the postal service's delivery, no guarantee can be made as to the date you will receive your check. We would like to remind you that we provide direct deposit into a checking or savings account to assure your funds are deposited by the last day of the month. If you would prefer this service, please visit www.gfpf.org, **Fund Forms**, **Member Forms**, and print the **Retiree Direct Deposit** form, or contact our office to obtain the form. Please keep the direct deposit option in mind as news spreads that the Postal Service may be cutting delivery days.
- Advice of Deposits - Retirees using direct deposit have the option to **opt out** of receiving their monthly Advice of Deposit and rely on their monthly bank statement to verify deposits. If you choose to stop the mailing of your monthly advice, please provide written notice to our office by mail, email to retirement@gfpf.org, or fax to 678-413-4227.



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