



THE OFFICIAL NEWSLETTER OF THE GEORGIA FIREFIGHTERS' PENSION FUND

BOARD OF TRUSTEES

trustee@gfpf.org

Kerry J. Cook

Chairman of the Board

Decatur Fire Department (Retired)

Retired Beneficiary

Appointed by the Governor

R. L. Chuck Kelley

Vice-Chairman of the Board

Director of Public Safety

Police and Fire Chief

Stone Mountain Park

Governor's Designee

M. Dwayne Garriss

State Fire Marshal

Insurance and Safety Fire

Commissioner's Designee

Mitchell S. Aiken

Battalion Chief

Gainesville Fire Department

Active Member

Appointed by the Governor

Timothy S. Milligan

Commander

City of Marietta Fire Department

Active Member

Appointed by the Governor

David C. Will, Esq.

Special Assistant

Attorney General

& Board Counsel

Founding Partner:

ROYAL—WILL Law Firms

From the Desk of the Executive Director

This issue of our *GFPF NEWS* ushers in sort of a new era for the pension fund. On May 18, 2012, Governor Deal appointed three new members to the Board of Trustees, replacing two whose terms had expired and his designated representative, (see articles and pictures inside). They join the two remaining Trustees, State Fire Marshal Dwayne Garriss and Kerry Cook, who themselves have been on the board a little more than a year. So, with three of the five, a majority, being brand new, it has the feel of the beginning of a new era. We will get a fresh look at our operations, and there will be new thinking to put into the mix in the never ending effort to improve service to our participants. This will be good for the fund and the members.

To the past Trustees, Captain Rita Smith-Cain, Chief Chipper Gardner and Mr. Allen Conger, we all owe our gratitude and appreciation for the years of service and the many accomplishments the fund has achieved under their stewardship. We wish them well and look forward to their continued support and counsel.

There are a host of reasons why Trustee appointments are for limited terms, not the least of which is to bring in fresh ideas and renewed energy. Too, these are not compensated positions. While it is an interesting and rewarding position, it is not an easy task, nor one to be taken lightly. There is a limit to the time and effort that can be devoted to the position over the years without it becoming an unwanted burden. A Trustee learns a great deal more about business, economics and capital markets than he or she would

ever think possible in the course of governing the fund. The reward comes in the satisfaction of doing all that can be done to "supplement the welfare and well-being of firefighters and their beneficiaries" over the course of a Trustee's term. These folks will need and deserve your continued support.

Included in this edition is an introduction to our new actuarial consultant, Cavanaugh Macdonald. After many years of good service from our previous actuary, Buck Consultants, the staff and I felt it was time to re-bid the contract and test the market for both pricing and services. In the final analysis, Cavanaugh Macdonald provided a superior bid, and after a lengthy interview with the then sitting board, was selected as the Fund's actuarial consultant. They produced the latest funding report, available on the website, with which we and the Board were quite pleased. Their engagement represents a nice cost savings to the fund over the previous actuary.

Normally, the capital markets would be in the "summer doldrums" about this time of year, preparing for the normal election year fall upswing. But with the turmoil in both Europe and the Middle East, for different reasons, the equity and fixed income markets have been very volatile. Unfortunately, the volatility has not been particularly positive and what gains there are to be had have been very narrow, focused and fleeting and based more on news than fundamentals. We will continue to keep the portfolio widely diversified and positioned to respond as the economy continues this slow rebound.

I hope you are all enjoying the summer. Please be safe, be cool, stay hydrated!



Jim Meynard

Trustees Vote to Forego July 1, 2012 COLA

...See complete Article on Page 2...

*Meet
Our
Managers...*

*Cavanaugh
Macdonald
Actuarial
Consultant...*

Continuing with our tradition of introducing our membership to the Fund's individual investment management firms, in this issue we are highlighting our actuarial consultant.

Cavanaugh Macdonald Consulting, LLC (CMC) was hired by the Georgia Firefighters' Pension Fund to provide actuarial consulting services which include data analysis, review of proposed legislation, biennial actuarial valuations of the Fund, and semi-annual determinations of Cost-of-Living Adjustments (COLA) increases. The performance of these services requires a high level of skill and specialized training.

CMC was founded in 2005 by Tom Cavanaugh and Ed Macdonald to offer state and local/municipal governments the experience and dedication they deserve in retaining actuarial consulting services for their employee pension and benefit plans. 100% of CMC's business is from public sector actuarial consulting services.

CMC is headquartered in Kennesaw, Georgia and has recently opened offices in Omaha, Nebraska; Englewood, Colorado; and Hilton Head Island, South Carolina. Over the last seven years CMC has grown to an organization of 32 employees, including 14 credentialed actuaries and several senior actuaries that possess over 25 years of experience in the public sector. CMC currently serves as the retained pension actuary for 23 statewide and hundreds of local/municipal public retirement systems providing full actuarial services like those required by the Georgia Firefighters' Pension Fund. Because CMC only works for public sector plans, their time and energy is focused on addressing the issues facing governmental plans which are different than those facing corporate plans. This experience and client base provide a breadth of knowledge

with respect to public plan funding and design, the history of other systems and what approaches have been successful or have failed.

Meet Your Team

Ed Koebel is a Principal and Consulting Actuary at CMC. Since 1994, Ed has prepared annual valuations, experience studies, special cost studies, compliance testing, plan redesign and projection modeling to his clients. He is very experienced in the design, administration and funding of retirement plans and has provided legislative testimony for several state and local government retirement plans. Ed was a speaker at the Inaugural Georgia Association of Public Pension Trustees (GAPPT) conference in 2010 and has since spoken at the Southern Conference for Teachers Retirement (SCTR) in 2011 and the National Association of Public Pension Attorneys (NAPPA) in 2012. His credentials include:

- Enrolled Actuary Under ERISA
- Fellow of the Conference of Consulting Actuaries
- Member of the American Academy of Actuaries

Dayna Waddell is a Senior Actuarial Analyst at CMC. Since 2009, Dayna has developed a broad range of experience in data analysis, experience studies, actuarial valuations, cost studies, and pension projections. Dayna leads the production of the biennial valuation and works closely with the Georgia Firefighters' Pension Fund staff on data analysis. She graduated from Berry College with a degree in Mathematics and has completed the first exam towards becoming an Associate of the Society of Actuaries.



Morgan Wurst

Trustees Vote to Forego July 1, 2012 COLA

At the regularly scheduled meeting of the Board of Trustees, on June 20, 2012, the Trustees voted to forego granting a Cost of Living Increase, COLA, based on the recommendation of the Fund's Actuarial Consultant.

RULES & REGULATIONS

This is the seventh 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 going forward 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 fourteenth and fifteenth Rule.

Rule 513-7-1.14 Issuance of Pension Checks. Amended.

Your benefit payments will begin in the month following the date the Board of Trustees approves your application for retirement. Benefits are not paid retroactively, so make sure your application is submitted in a timely manner and not delayed.

You may choose how to receive your pension payments, either direct deposit or by check. For efficiency and security, we encourage you to request direct deposit of benefit payments to a checking or savings account. Direct Deposit payments should be in your account on the last day of the current month.

If you choose to receive your benefit payments by check, the check will be issued no later than the last working day of the current month. If you do not receive your check by the 10th day of the following month, you may request a new check. However, we will not issue a new check until a stop payment on the original check is ordered and recognized on the account. Clearly, if you have a checking or savings account, direct deposit is a better choice.

Pension payments are issued to and in the name of the member only. If a member has chosen the Joint & Survivor Option or the Ten Year

Certain and Life Option, benefit payments will be issued in the name of the designated beneficiary upon the member's death.

If you wish to leave a benefit to multiple beneficiaries, you must choose the Ten Year Certain and Life Option. Benefits under this option are guaranteed to be paid for 10 years to the retiree or his/her beneficiary as listed in sequential order. For instance, if a retiree lives 6 years into retirement and then dies, the next surviving beneficiary named in the sequential order will receive benefits for the remaining 4 years. Should that beneficiary die, then the next beneficiary will receive benefits for the remainder of the 10 years. However, the member is guaranteed a benefit for as long as he or she lives.

If a retired member who chose "Regular Retirement" dies prior to receiving a total of \$5,000.00, the designated beneficiary will receive the balance of \$5,000.00, less the benefits paid-to-date to the retiree. If the retiree dies and has already surpassed the \$5000.00, the final payment at the end of the month during which the retiree died will go to the designated beneficiary.

In the event of a death of a member of the Pension Fund, who is in good standing, i.e. not suspended, expired leave of absence, or refunded, with less than 15 years of creditable service, a death benefit in the amount of \$5,000.00 is available for the designated beneficiary.

When a claim is submitted for a death benefit, a notarized copy of the official death certificate and a notarized copy of the Beneficiary's identification with photograph, (i.e., valid Driver's License, current Passport, or other government issued identification) must accompany the claim form.

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**"The American experiment with democracy will end when the Congress learns it can bribe the public with its own money."
-Alexis deToqueville, 1839**

**You make a living from what you get; you make a life from what you give.
-Benjamin Franklin**

Governor
Nathan
Deal
Appoints
Three New
Members
to the
Georgia
Firefighters'
Pension Fund
Board of Trustees
on
May 18, 2012.

The Governor's
Swearing In
Ceremony,
on
June 13, 2012.



Left to Right: Commander Milligan, Chief Aiken, Chief Kelley and Governor Deal

Timothy S. Milligan, is a 15-year member with the City of **Marietta Fire Department**, currently serving as a Commander in the Suppression Division. He is active in both the Leadership Cobb Alumni Association and Honorary Commander Association. Tim earned an Associate's Degree in Fire Science and a Bachelor's and Master's Degree in Business from Regis University. He resides in Marietta with his wife, Debbyn and two children.

Mitchell S. Aiken, is a 27-year veteran firefighter for the **Gainesville Fire Department**, where he currently serves as Battalion Chief. He is a graduate of Georgia Fire Academy and attended DeKalb College as well as Lanier Technical College. Mitch is a member of the Georgia Firefighter Association and Georgia Association of Fire Chiefs. He and his wife, Cree, have three children. They reside in Gainesville.

Robert L. "Chuck" Kelley, serves as the Director of Public Safety, Police and Fire Chief, for the **Stone Mountain Park Department of Public Safety**. He has been employed with the department since 1973. He is a member of the Georgia Association of Police Chiefs, the Georgia Association of Fire Chiefs, the Federal Bureau of Investigation National Academy Associations and the Airborne Law Enforcement Association. In 2008, Chuck received the Georgia Governors' Award for Public Safety for Outstanding Contributions to the Profession. He and his wife, Charlotte, have one daughter and two granddaughters. They reside in Lilburn.

*Please join us
in welcoming
our new Trustees.*



Juanita Whetzel



Left to Right:

Chief Kelley, Jim Meynard, Chief Aiken, Governor Deal and Commander Milligan

Election of Officers:

**At the June 20, 2012, Board of Trustees Meeting,
Kerry J. Cook was elected Chairman
of the Board of Trustees
of the Georgia Firefighters' Pension Fund
and R. L. Chuck Kelley
was elected Vice-Chairman.**



***Rita D. Smith-Cain,
Captain, Rome Fire
Department (Retired)***



***Allen A. Conger, Sr.,
Volunteer, Ben Hill Fire
Department (Retired)***



***Samuel Chipper Gardner,
Chief, Spalding County Fire
Department (Retired)***

***We wish the very best for our recently retired
Members of the Board of Trustees.***

**CONTINUED
COST
SAVINGS!!!!**

**The
GFPF NEWS
and
Annual Report
are
Created,
Edited,
Published
and
Printed
In-house.**

Where Is All That Money Coming From?

The first lesson in economics is scarcity:

There is never enough of anything to fully satisfy all of those who want it.

The first lesson in politics is to disregard the first lesson in economics.

-Thomas Sowell,
Economist,
Author,
Columnist

Last month, I took a call from a retired firefighter. His first words as I answered the phone were, "where is all that money coming from?" He did not bother to say, "Hello," or introduce himself, or any such pleasantries. Not that he was belligerent, but he was not in a mood to share a cup of coffee, either. He was concerned for the expense we seemed to be incurring for additional people and such, as expressed in our newsletter, while we were not offering cost of living increases to the members.

We had a lengthy discussion as I explained to him our reasoning and rationale. I appreciated that he read our newsletter, and I respected that he took the time to call and express his concerns. We try to be as transparent as is practical to the membership. The newsletter is your eyepiece into our operations. In that this retiree had these concerns, I imagine many others do too. So let me share with you what I told him that day.

The personnel addition that caught his eye was that of the new Field Coordinator. The primary role of the Field Coordinator is to visit departments and assist with understanding the benefits of membership in the fund, understanding the Rules and Regulations and helping with correct reporting of training and calls. On the one hand, this results in a better training program for firefighters, better trained firefighters and better record keeping, all for the good of the community and the taxpayers. On the other hand, we occasionally find

inappropriate record keeping, where pension credit has been erroneously awarded. We then have to deny that credit, and thus we save the fund some money in the future. We also receive complaints and requests to "look into issues" that may or may not result in lost credit. As we noted in the newsletter, we have a growing backlog of such requests. Folks are starting to recognize that unearned credit is diminishing the benefit for all. So, we realized we needed more help in this area to meet this need. For what it costs us, we get a lot back.

We also said in our newsletter that we were upgrading our computer systems. That, too, is expensive. But, folks, it is necessary. Our computers "talk" to the State's computers and our custodian's computers in Boston. We "talk" to GFSTC, to our consultant in Memphis, and to a myriad of others around the country. We have to stay current. We are adding features and capability, and we continue to grow in active members and retirees, but we are not adding internal staff. The systems upgrades are less expensive. Our new website is a reflection of the progress we are making. We feel you will see continued improvement in service and availability in the coming year.

To put it all in perspective, these expenditures are directed toward improvements in the fund, and our service to you and the fire service, and, ultimately the taxpayers.



Jim Meynard

...continued from Page 3...RULES & REGULATIONS...

Rule 513-7-1-.15 Annual Affidavit by Disability Retirees. Amended.

At the beginning of the year, if you are receiving a disability benefit payment from the Pension Fund, you will receive an affidavit form from the Fund requesting that you submit a copy of your Federal Income Tax return and supporting documentation (i.e., W-2, 1099) for the previous year showing the amounts and source of income obtained from gainful employment. If it is a joint return make sure the return reflects the member's separate income. It is important that we receive this documentation so that your disability retirement payment will continue.



Sharon Drake

Georgia Firefighter's Pension Fund

Vital Statistics as of May 31, 2012

(FINANCIALS ARE PRELIMINARY)

Assets \$561,863,374
Active Members 12,944
Retirees 4,136

FUND PERFORMANCE

Current Month -4.3%
Calendar Year 2011 (January 1–May 31, 2012) 4.1%
Fiscal Year to Date (July 1, 2011–May 31, 2012) -1.6%

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

The Fire Service Code of Honor

“The U.S. Air Force Academy Honor Code is similar to that of West Point, but it also incorporates an Honor Oath: “We will not lie, steal or cheat nor tolerate among us anyone who does. Furthermore, I resolve to do my duty and to live honorably, so help me God.” Simple and clear. Could we include this brief honor statement in our appointment oaths? Could we include it in our promotional oaths? Perhaps we could recite it at our major event gatherings such as the main program at FDIC and other fire service events.

If we look at the issues, so we have everything covered with this simple oath? Stealing is stealing; the excuse that you were told to do so does not exonerate you. Taking pension money you have not earned by your lack of presence is stealing; taking property you did not earn is stealing. Not claiming income is lying; falsifying any document is lying, so that is covered.”

-Excerpted With Permission from *The Fire Service Code of Honor*
By Bobby Halton, Editor, Fire Engineering Magazine

GFPF NEWS

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Summer Issue

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