



## **BOARD OF TRUSTEES**

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Gwinnett County Fire &  
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### **Allen A. Conger, Sr.**

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### **Chief Alan R. Shuman**

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Special Assistant Attorney  
General & Board Counsel  
Founding Partner:  
Royal Washburn Will

### **James R. Meynard, CFA**

Executive Director

[www.gfpf.org](http://www.gfpf.org)

## **From the Desk of the Executive Director**

Seasons' Greetings once again from the staff to all of our members. The holiday is upon us, quicker than we realize, as usual after another busy year here at the pension fund office. It has been an unusual year, with a down economy and a lot of uncertainty in the capital markets. We have maintained a positive outlook for the future, bearing in mind that our mission is geared toward the long-term and there will be many short-term bumps along the way. This just happened to have been one of the bigger bumps or maybe a better description would be "pothole," and it's a big one. Nonetheless, we think the worst is over, financially, and we are on the path to recovery. It will take time, but we will get there.

Aside from the financial end of the business, we continue to work hard to make the Pension Fund work for our members. The revised Rules and Regulations are out and on the website. They were there for comment before publishing, but of course, now that we are living with them, the changes are more meaningful. As always, I invite your comments, criticisms and suggestions. We have fiscal legislation pending, which may or may not go, depending on the judgment of the state auditors. With the market downturn, there is the question of affordability of fiscal changes to the fund. Ours were very minor, but still technically fiscal, so we may

have to wait on those changes. I refer you back to the Spring 2009 edition of the **GFPF NEWS** for information regarding what is in that bill. Also, this fall we hosted another Volunteer Chiefs' Symposium. This is our continuing effort to explore the various protocols in use by volunteer and combination departments for training and toning out volunteer personnel so that we can develop reporting requirements and, if necessary, propose legislation that enables pension participation on an equitable basis.

The Trustees have had their hands full of late, too. We have had several cases of questionable reporting investigated by our field coordinator that required Board review for non-creditable service. One of these is discussed later in this newsletter; the others were more routine. (I called this case "instructive." We learn something whenever we study our code in depth and share that with the members.) The Trustees also were called on to spend more time of late with the managers of the portfolio. The downturn in the markets has caused some turmoil in the ranks of certain managers requiring the termination of one and site visits to two others, one in New York and one in New Jersey.

**Continued on Page 3...**

**Trustees Vote to Forego  
January 1, 2010 COLA  
See Note on Page 5...**

## *Meet Our Managers...*

### **Sawgrass Asset Management, L.L.C.**

*Continuing with  
our tradition  
of introducing  
our membership  
to the Fund's  
individual  
investment  
management  
firms,  
we are  
highlighting  
one of our  
portfolio managers.  
Sawgrass Asset  
Management, L.L.C.*

**Sawgrass Asset Management, L.L.C.** is a 100 percent employee-owned registered investment advisor, based in Jacksonville, Florida. Since the firm's founding on January 15, 1998, their primary focus has been managing assets with a specific focus on institutional client relationships. The business of asset management is the firm's sole focus.

#### Sawgrass Large Cap

#### Growth Philosophy

Sawgrass' Large Cap Growth thesis embraces the belief that it is possible to add value over time by consistently applying a structured discipline that identifies attractive companies using the following criteria: Demonstrated Earnings Growth; 2) Strong Earnings Momentum; 3) Rising Earnings Estimates; and 4) Reasonable Valuation.

Their approach focuses on companies that demonstrate higher quality earnings, consistent growth and attractive valuations relative to their peers.

The Sawgrass investment process is applied by their team of five portfolio managers and research analysts with an average of 23 years of experience in managing growth stock portfolios. It starts with the security screening process, involving their quantitative models developed and applied over the last 20 years. Their universe consists of companies greater than \$2 billion with all the elements needed to score each company (approximately 700 companies). These companies are scored using their sector-specific models composed of factors specific to each sector, including estimate momentum, earnings growth and valuation. They then focus on the top 20% as new idea candidates.

Their bottom-up fundamental research process seeks to confirm that those attributes are repeatable. Among the factors reviewed are

balance sheet trends such as account receivable days, sales outstanding and inventory items. They also closely review income statement items such as revenue growth and margin expansion. In addition to their own analysis, they review the buy side analysts' research to discern analyst sponsorship and ensure that they have not missed information worthy of consideration. The result is a subset of companies with strong attributes and the likelihood that success will continue.

They do not incorporate any macro-economic research. Their perception of the economic environment does play a role at the margin in portfolio construction. While their new ideas are generated without consideration to economic outlooks, they do consider the economic environment as they build portfolios and determine how to construct the risk profile of the portfolio.

Their key purchasing criteria consists of the following: 1) Strong record of demonstrated earnings growth; 2) Positive change in future earnings; 3) Reasonable earnings growth valuations; 4) Successful companies with strong balance sheet and financial statement data; and 5) Viability of continued earnings growth.

Stocks may be sold for any of the following reasons: 1) Quantitative attractiveness starts to decline; 2) Deterioration of fundamentals; 3) More attractive companies are identified; 4) Price and volume trends are broken; or 5) Risk profile realignment is necessary.

**Continued on Page 7...**

(Continued from Page 1)...From the Desk of the Executive Director...We timed those due diligence visits to coincide with a dinner honoring The Commandant of the Marine Corps, see article below, and visited several other managers as well. We are also leading the charge on a new association, the Georgia Association of Public Pension Trustees, Inc. This is something I have wanted to do for some time, now. We are one of the few states that do not have an organization whose mission is focused on the education and development of public pension trustees. Consequently, pension Trustees and pension administrators are at a serious disadvantage dealing with asset managers, and their ilk, on capital market issues. This new association, once up and operating, will offer training in the form of conferences and schools to help those folks meet their responsibilities in this regard.

And, finally, I put a tidbit of our history in the newsletter this month. This is headed for the website, but it was meant as a “tickler” for those who may have some knowledge of our beginnings. I continue to seek names and dates from those formulative times. It was initially a small group. Does anyone remember? Does anyone have any clippings, notes, photos that will help us fill in the blanks? Inquiring minds want to know!



*Jim Meynard*

### GFPF Joins the Marines!!

On our recent visit to New York to review our asset managers, Chief Alan Shuman, Chief Chipper Gardner and Jim Meynard took an evening out to visit with the Marine Corps Law Enforcement Foundation at their annual “Smoker.” This is an event, sponsored by Colonel Richard Torykian, Vice President of the Foundation, to recognize and honor some of our very special men in uniform. In attendance at the event were several recipients of the Congressional Medal of Honor, the Commandant of the Marine Corps, General James T. Conway, the Sergeant Major of the Marine Corps Carlton Kent and the first Marine Chairman of the Joint Chiefs of Staff, General Peter Pace. We were truly honored to be among men of such stature.



The Commandant and Sergeant Major arrive with Marine escorts.

As you may recall from previous newsletters, the MCLEF was formed in February of 1995 by former Marines and law enforcement personnel who strongly believe that our nation's most precious resource is its youth. Through the continuous support of their donors, they have distributed aid with a value of more than \$40,000,000.00 to eligible children. This assistance was primarily rendered to children of Marines or Federal law enforcement personnel who were killed on duty or died under extraordinary circumstances while serving our country at home or abroad. Special consideration has also been given to children of state, county and local law enforcement officers killed in the line of duty. In addition, children of firefighters; children who lost a parent on the USS Cole; the children of the Air Force personnel killed at Khobar Towers; and the twelve children who lost their parent on the space shuttle Columbia disaster were also rendered assistance.



GFPF Trustees—Chiefs Chipper Gardner and Alan Shuman, and GFPF Executive Director, Jim Meynard, with the Commandant and the Sergeant Major of the Marine Corps.

Through a special relationship with Colonel Torykian, the Georgia Firefighters’ Pension Fund has partnered with the MCLEF and offers this same assistance to the children of fallen firefighters in the State of Georgia. Membership in the pension fund is not a requirement to apply for assistance.

### *Ruling From the Board of Trustees*

Among the varied duties of the Board of Trustees is that of ruling on issues of creditable and non-creditable service of the members of the pension fund. These issues come to the attention of the staff through a myriad of sources, such as discrepancies on the GSFTC data feed or errors on volunteer affidavits. The issues are researched thoroughly by the staff and recommendations are presented to the Trustees at a regularly scheduled Board meeting. Normally, these rulings are pretty routine.

Recently, though, one case has been handled for which it may be instructive to the membership to be aware. In this case, a volunteer department was in transition to combination. The new Chief, who was full-time, was imposing what seemed like very stringent training and reporting requirements on the volunteers. A city councilman, not happy with the issue, called the pension office and requested an investigation into the conduct, because the new Chief "wasn't treating his people right."

We did a review of the practices of the new Chief, and then reviewed the historical records of the old Chief. It was not pretty. The new Chief was fine. But, the old Chief had allowed a lot of creditable service to be awarded that was not earned on the basis that "it would be made up later." Some of these folks "just needed a break." In other words, we had some affidavits that were not supported by appropriate training and incident records. The "review" turned into a full-scale investigation and audit of the records of the department. It turns out the records, for the most part, were quite good considering the situation. But, they did not support the affidavits for certain individuals in the pension fund.

Based on the evidence presented by the staff, the Board ruled that several of the firefighters would

lose creditable service awarded as unearned and one who had already retired would lose his pension and be required to repay that which he had received to date under false pretenses. All dues paid in respect of these affidavits were refunded. The rulings were not appealed. In that the Board did not detect malicious intent to defraud the fund, they elected not to prosecute.

I noted that this case in particular was instructive. Of importance, I think, is to note that we, as a pension fund, and David Luther, as a Field Coordinator, did not go out to some department and dig this case up. It came to us as a complaint. It was one of several we looked into. Most complaints are routine and can be resolved without serious consequences. The second thing to note is that we do take things seriously here in the office. This is serious business, folks. This is your pension and your future we are working for. We do not take that responsibility lightly.

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### *On Display at the Pension Fund*

We want to thank **Johnny Higingbotham, of McRae**, for his generosity with his collection of antique fire nozzles. Johnny has loaned his collection to the Pension Fund for display in our lobby.

**Retiree Clark Durden, Douglas Fire Department, Coffee County**, dropped in to visit and donated an exquisite, hand-made tie bar for display. Thank you, Clark.

We still have room for more memorabilia in our display cases, and welcome your gift or loan. If you have something you would like to pass along, give David Luther a call and he will make arrangements to retrieve the items.

"No problem can be solved from the same consciousness that created it."  
*Albert Einstein*

"It is better to debate a question without settling it than to settle a question without debating it."  
*James Cagney*

"Opportunities are never lost—someone else just took the ones you left."  
*Andy Rooney*



### ***Guidance from Board Counsel: Purchase of Prior Service is Refundable***

In our pension presentations to departments and fire service groups around the state, we have been telling folks that they should be especially judicious about “buying back” creditable service or prior earned service. Our main reason for the caution has been that the two paragraphs in the statute that deal directly with such purchases are silent on the refundability of such purchases. In such instances, the assumption is that the General Assembly did not intend that a refund be contemplated or allowed.

However, in a recent case, wherein an investigation into a firefighter’s retirement records uncovered affidavits for purchased prior service that were not supported by appropriate records, the question was raised as to whether fraudulent time would be refundable. Our Board Counsel, David Will, identified paragraph 47-7-105, which simply says that, “Upon application and approval of the board, any member who withdraws from the fund shall be paid all moneys contributed to the fund, less 5 percent.” This clause is without qualification.

So for lo, these many years, I, we, have missed this simple premise and I apologize. Purchases of prior creditable service, or buybacks, are refundable, less the customary 5 percent administrative fee, as are paid-in dues, should one withdraw prior to vesting. Please call us if you have any questions regarding this issue.

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### ***So What’s Your Pension Worth?***

Occasionally, we receive material from financial planners related to retiring and pensions and recently one such item caught my eye. The

essence of the article was that if you had saved \$100,000 for retirement and could earn 4% forever on that money, you could draw \$333 per month forever. As a concept, I thought that was interesting. It is not a lot of money, \$333, these days. On the one hand, 4% flat, guaranteed forever might be hard to get. On the other hand, data collected by the industry tells us that not many of us have saved \$100,000 going into retirement, either.

But, the good news we offer is that the current average payout of the GFPF, given survivor benefits, early retirement, etc., across our participant base is \$700. That is the equivalent of having saved \$209,700 on the same basis of 4% per annum. The full vested benefit amount of \$882 per month is equivalent to having saved \$264,600. This is, of course, in today’s dollars, and does not reflect any future COLAs or benefit changes. And this benefit is available to those who will “save” \$15 a month with us for 25 years, for a total saving base of \$4,500, (plus meet the certification, training and fire call requirements.)

Is this a good deal, or What!?

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### **Board Votes to Forego COLA for January 2010**

Based on current market projections and the recommendation of the Fund’s actuary, the Board voted to forgo authorizing a COLA for the January cycle. “While the capital markets are showing some signs of recovery, the real estate market which is our tax base, is yet to show any signs of strength, which jeopardizes our main source of revenue,” said Chairman Buice.

### **Questions to Ponder:**

If it's true that we are here to help others, then what exactly are the others here for?

Why do croutons come in airtight packages? Aren't they just stale bread to begin with?

If FedEx and UPS were to merge, would they call it Fed UP?

As income tax time approaches, did you ever notice: When you put the two words 'The' and 'IRS' together, it spells 'THEIRS'?

It is better to leave folks wondering why you did not speak rather than why you did.

## Notice!!

The GPF News is now available by email. If you prefer to receive this publication by email, simply go to the "Members" section of the website and your personal page and select the "Subscribe" button. You will then receive all future issues by email until you "UnSubscribe".

## REMINDER...

### KEEP US UP TO DATE

It is important that you keep us apprised of your address even if you are no longer an active participant in the Pension Fund. Funds on deposit revert back to the Fund after seven (7) years. If we do not have a current address, you will not receive advance notification of the expiration.



*Sharon Drake*

## GFPF History

*(This is the initial attempt at developing the full history of our pension fund, which will appear on the web site. To this we will add historical dues and benefits tracking, as well as key legislative events. Your input and comments are welcome, especially in identifying those individuals who were so instrumental in making this happen over 50 years ago.)*

In the late 1930's, a group of officers, led primarily by Howard Schaefer of Marietta and Joe Whitley of Atlanta, began an effort to start a pension fund for the firemen of Georgia. They approached the Georgia Firemen's Association, then a loosely formed group of fire officers, at the time un-incorporated but organized and dues paying, at their annual convention and garnered their support for the initial legislation. Representative Bentley, (later Senator Bentley) of Marietta prepared and introduced the first draft of the Georgia Firemen's Relief Act in 1939. It failed, of course, as did many versions thereafter. But each successive bill brought a better benefit, improving and refining the plan, until in 1954, a bill was put forth that passed both houses, and in 1955, was signed into law by Governor Marvin Griffin. The success of this effort was in no small part due to the support of the Firemen's Association, which in 1952 formalized its organization and lobbying efforts by incorporating. Initially, the Association was charged with responsibility for oversight of the pension fund and held the Trustee positions until the statutes were revised to provide for at-large appointments by the Governor.

Knowing that they would be seeking and needing some form of public funding to have a meaningful benefit over the long term, the early proponents of a pension benefit for firefighters had the foresight to

prescribe that the fund should be open to all firefighters in the State of Georgia, paid and volunteer. The participation could not be closed to a select group of firefighters. Over the years this has become one of the premier supplemental benefit plans for firefighters in the United States.

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## GFPF COMINGS AND GOINGS

### Ben Hughes Resigns

Effective October 21, 2009, Ben Hughes, our Assistant Treasurer, has resigned to pursue other interests. While we will miss Ben and his contributions, we wish him success in his future endeavors.

### Morgan Wurst Accepts Assistant Treasurer Position

The Georgia Firefighters' Pension Fund is pleased to announce that effective November 2, 2009; C. Morgan Wurst has accepted the position of Assistant Treasurer, reporting to the Executive Director.

Mr. Wurst was most recently AT&T's (formerly BellSouth) Treasury Manager in Atlanta, responsible for the commercial paper program and daily liquidity management. In previous positions with BellSouth, he managed their long-term debt and swaps payment program and was responsible for related periodic financial reporting.

Morgan holds a Masters Degree in Professional Accountancy from the University of Texas at Austin and a Bachelor of Science in Accounting from Florida State University. He is a Certified Treasury Professional.

Please join us in welcoming Morgan aboard.

## Georgia Firefighters' Pension Fund

### Vital Statistics as of October 31, 2009

(FINANCIALS ARE PRELIMINARY)

Assets \$461,993,401  
Active Members 12,612  
Retirees 3,595

#### FUND PERFORMANCE

Current Month	0.1%
Calendar Year 2009 (January 1–October 31, 2009)	12.5%
Fiscal Year to Date (July 1, 2009–October 31, 2009)	10.3%

#### 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	\$700 per month

EXPECTED AVERAGE BENEFIT  
PAYOUT OVER 25 YEARS  
\$209,700

(Continued from Page 2)...Sawgrass Asset Management, L.L.C.  
...Primarily involved in the buy and sell decisions are Marc Davis and Rusty Creighton with Marty LaPrade making the final decision, then implemented by the traders. It is the portfolio manager's responsibility to review all securities prior to purchase to ensure all client guidelines are met. The equity team has regular formal meetings to review the portfolio's direction as it relates to trading, risk and security selection.

**FROM: All of us at GFPF**

**TO: All of our Members and Retirees**

***“Wishing you a very Merry Christmas  
and a safe and prosperous New Year”!  
HAPPY HOLIDAYS...***

### GFPF NEWS

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