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From the Desk of the Executive Director

"May you live in interesting times!" This is something you should wish as you part with your enemies. Last year was interesting times and especially the last two quarters in the financial markets. While there is blame enough to go around to all involved, it is clear our financial and political leaders have let the country down in favor of their own personal gain and notoriety. It is sad and indeed disgraceful.

The Fund is down significantly from its peak of last year, as you will note in the "Vital Statistics" section of this issue. It has been truly painful to watch, as we did not foresee the depth of this meltdown coming and aggressively positioned some assets to capture an early recovery. We are still well positioned for a recovery, but it will be much longer in coming now, for sure. However, once the capital markets turn and the economy recovers, we fully expect normalcy to return to our operation. We continue to work hard to study these markets to find the right combination of patience and perseverance to protect the assets and hopefully gain some advantage when the time is right.

Turning to this issue of the newsletter and what is going on in the pension fund, we are continuing to address our volunteer reporting and record keeping. David Luther and I hosted a symposium of Chiefs to discuss some of those issues dealing with the Pension Fund's requirements for volunteer training and attendance. We

are now working on implementing the recommendations forthcoming from those discussions.

Sharon Drake's office has several reminders for you regarding your records and dues. We are really trying hard to make this a smooth, seamless operation for you. And, to that end, I trust that these suggestions and reminders are helpful. Over the years we are experiencing fewer errors, fewer returned applications and returned checks, and fewer invalid affidavits. The higher the quality of the reporting we can get, the more creditable service that is granted and the less that has to be denied due to errors and omissions. And, of course, less errors means less cost! That means we can do more for you.

And finally, our sculptures are almost ready! The sculptor, Brian Hanlon was here on Friday, December 12, 2008, to meet with the granite quarry to prepare the base. We are about two months behind schedule with this because we missed our slot at the foundry. We are expecting an installation and dedication in April. Look for an announcement as we come to know a little more. Check these figures out on the web site. Brian has really done a great job for us. You will be proud.

A belated Seasons Greetings to all. We hope you had a wonderful holiday season!



Jim Meynard

**Board of Trustees declines
to grant a January 1, 2009 COLA ;
due to market conditions,
deteriorating fund asset values
and Actuary's recommendation.**

Article on Page 3...

Meet our Managers...*Orleans Capital Management*

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

Orleans Capital Management, finding investment opportunities in energy.

In early 2000, Louis Crane, Chairman of Orleans Capital Management, left the Sanderstolen Conference thinking the world was on the verge of a significant change. The Sanderstolen Conference is held annually in Norway and brings together the energy industry's top executives, OPEC members, and government officials to discuss developments in the global energy industry. What was different about the conference in 2000 was the increased level of discussion related to the growing energy demand from the developing world, especially China and India, home to more than 2 billion people. Concerned about the implications this surge in demand might have on energy markets and the world economy, Louis contacted Matthew Simmons, Chairman of Simmons & Company International, to get his thoughts on our energy future. Matt shared Louis' outlook on the coming wave of new energy demand, but added a more ominous concern – that the maturing sources of oil supply would make meeting this demand both difficult and expensive. This meeting of the minds led Orleans to team with Simmons to develop its Energy Opportunities investment

strategy designed to capitalize on the economic opportunities created by the energy supply and demand fundamentals at work around the world. Orleans was pleased to have the Georgia Firefighters' Pension Fund become an Energy Opportunities client in 2006.

Orleans was founded in 1991 and is an independent investment adviser, providing fixed income and opportunistic equity investment products. The firm manages approximately \$1.7 billion primarily for public pension and retirement systems, foundations and endowments, and high net worth individuals. Although Orleans first opened its offices in New Orleans, the firm has expanded and now maintains offices in Austin, Texas and Detroit, Michigan in addition to its Louisiana locations. Complementing the Energy Opportunities strategy, the firm specializes in fixed income management, focusing on providing a stable source of income and cash flow to assist its clients in funding ongoing pension and retirement obligations. The firm also is proud of its strategic dividend strategy, which is an equity investment product emphasizing stocks with an established record of paying and growing dividends.

Simmons & Company International, headquartered in Houston, Texas, is Orleans' partner in the Energy Opportunities strategy, providing Orleans with energy research and sub-advisory services. Founded in 1974, Simmons is the world leader in energy investment banking transactions, having recently surpassed the \$100 billion mark. In addition, Simmons has been routinely recognized for its energy industry research expertise, having been named as "Best Firm"

in 2007 by *Institutional Investor* for their research covering Oilfield Service and Equipment and the Integrated Oil companies. Greenwich & Associates has also awarded Simmons the title "Best Industry Knowledge – Energy".

From its October 2000 inception, the Energy Opportunities strategy developed by Orleans and Simons has produced superior investment returns, allowing clients to take advantage of the oil supply and demand fundamentals that have so far adversely affected broad market investments in general. The strategy was recently awarded Top Performing Manager status by *Pension & Investments* for its one and five year records for the periods ending March 31, 2008 and June 30, 2008, and again for its five year record ending September 30, 2008.

The Energy Opportunities investment thesis is based upon the industry dynamics created by tight supply and demand fundamentals. As global demand for energy and oil in particular, grows and older sources of supply begin to decline, the industry has launched a frenetic search for new supply. The tightness of the energy market was clearly reflected in commodity prices which recently experienced an almost exponential rise, as oil has increased from \$50 per barrel in 2007 to \$147 per barrel in July 2008. In an effort to increase oil supply, oil and gas companies respond by rapidly increasing their exploration, drilling and production directed

...Continued... Orleans Capital Management

spending. Orleans and Simmons seek to invest in those companies most likely to benefit from this wave of exploration spending.

While the recent financial crisis and growing concern over an economic recession has caused oil prices to tumble, the underlying investment thesis remains sound. In fact, November's World Energy Outlook, published by the International Energy Agency, highlighted growing concern over the rate at which the production from existing oil fields around the world was declining. While it is likely that the financial crisis will result in slowing economic activity and some

decline in demand growth in the near term, supply side challenges are increasing. These challenges along with the growth in demand that will likely return as the financial system stabilizes create investment opportunity.

Going forward, Orleans remains confident in the underlying fundamentals associated with the Energy Opportunities strategy. To a large extent, recent years have served only as confirmation of the energy market insights originated by Louis and Matt some 8 years ago.



Ben Hughes

Welcome!!!! Andrea Brown

We would like to welcome a new employee that came aboard in October 2008. In filling a new position of Clerk, Andrea Brown joins us. Andrea has experience in pension and benefit administration, customer service, and accounts management.



Juanita Whetzel

**TRUSTEES VOTE TO FOREGO
JANUARY 1, 2009 COLA**

At the regularly scheduled meeting of the Board of Trustees on November 1, 2008, the Trustees voted unanimously to forego granting a Cost of Living Increase, COLA, for the six months ending December 31, 2008. In making this decision, the members of the Board took into consideration the deteriorating market value of the fund and the continuing weakening outlook for the national and south-eastern economies, with predicted

prolonged expectations for recovery. The Board feels that the assets are well diversified and under good stewardship, and to that end, will recover over time to meet all benefit obligations. However, in the short run, weak economic conditions may result in softer revenue receipts from taxes and dues. It is important that we closely watch our cash outflows for the present and protect the asset base for the future.

The Board appreciates the patience and understanding of the participants of the Fund and all of its retirees as we navigate these difficult times.

MEMBER NOTICE

At the September 19, 2008 meeting of the Board of Trustees of the Georgia Firefighters' Pension Fund, the Board reelected Chief Michael Buice, Gwinnett County Fire Department (retired), as Chair and Captain Rita D. Smith-Cain, Rome Fire Department, as Vice-Chair. Officers serve for one year terms or until a replacement is elected.



*Visit us on our
website at
www.gfpf.org*

**BOARD APPROVES
ANNUAL REPORT**

At the September meeting of the Board of Trustees, the Board approved the Annual Report for release. At this writing you should have already received a copy in a special mailing. The Annual Report can also be found on our website. Any questions regarding the contents of the Annual Report can be directed to the Executive Director.

THE GEORGIA FREEDOM *FIREFIGHTERS!!!*

The Georgia Firefighters' Pension Fund introduces the "white knights upon a fiery steed" of our firefighter brotherhood and dedicates honor and appreciation to our own "Hercules fighting the rising odds for freedom."

We are continuing our segment with military firefighters. Numerous Georgia Firefighters are "strong, fast, larger than life, and fresh from the fight," serving on military leave in the battle against tyranny and terrorism.



**FIRST SERGEANT
ALBERT RHODES
U.S. ARMY RESERVE
FIREFIGHTER & EMTI,
COLUMBUS FIRE &
EMERGENCY
MEDICAL SERVICES**

First Sergeant Albert Rhodes, U.S. Army Reserve, consecutively serves with the Columbus Fire & Emergency Medical Services, since November 2007, as a firefighter and EMTI, earning certification at the Columbus Fire & EMS Academy. First Sergeant Rhodes currently prepares to be deployed and will serve on military leave of absence beginning February 13, 2009, when he travels to Fort Riley, Kansas for 70 days preparedness training including weapons, medical, language, culture, acclimatization, etc. His mission and deployment location will be determined after

training completion. First Sergeant Rhodes has a 17-year military career beginning with the U.S. Army Infantry 101st Airborne Division, Fort Campbell, Kentucky, and extending as Mechanized Infantry, BRAVO Company-3/5 CAV, Kirchgoens, Germany. Sergeant Rhodes continued to serve in the U.S. Army Reserve as a Drill Sergeant, subsequently deployed to various stateside locations until finally arriving at Fort Benning, Columbus, Georgia.

First Sergeant Rhodes has been awarded numerous medals and commendations.

Additionally, First Sergeant Rhodes earned a Bachelors Degree for Speech Communication/Radio & Television Production from Wayne State University, Detroit, Michigan.

Firefighter Rhodes was born in Hot Springs, Arkansas, raised in Detroit, Michigan, and has resided in Columbus, Georgia for the past two years. He is married to Belinda, and has four children, Jennifer, age 21 years; Jessica, age 18 years; Ashley, age 15 years; and David, age 12 years.

Please give appreciation to First Sergeant Rhodes for his continued contribution and sacrifice to secure freedom from terrorism for America and the worldwide theater. GFPP desires continued success and a safe return home from the upcoming mission for Freedom Firefighter Rhodes.



Darlene McMillan

Please contact

Darlene McMillan,

at

accounting@gfpp.org

or

770-388-5757,

with your

department's

nominees.

...Continued... **THE GEORGIA FREEDOM *FIREFIGHTERS!!!***



**SERGEANT RONALD JONES,
AIR NATIONAL GUARD
CAPTAIN, COLUMBUS FIRE &
EMERGENCY MEDICAL SERVICES**

Captain Ronald Jones (RB) has been a member of the Columbus Fire and Emergency Medical Services for 15 years. He is a Tech Sergeant, E6, with the 116th Services Flight, an Air Force National Guard unit, located at Robins AFB in Warner Robins, Georgia. Sergeant Jones also served on active duty with the U.S. Army and the Army National Guard, for a total military career expanding over a period of 11 years.

The foundation for his choice to pursue a military career was due to training that he received while in the JROTC program at Columbus High School. He subsequently joined the Army after graduating high school and attended basic training at Fort Leonard Wood, MO. After receiving training as a combat engineer, Sergeant Jones was assigned to the 44th Chemical Company, 2nd Armored Division, at Fort Hood, TX - Elvis Presley served with this division. Sergeant Jones was later assigned to the 305th Quartermaster Company located in Yongsan, Seoul, Korea, as an engineering supervisor over small engine repairs. Sergeant Jones was later released from active duty and joined the Georgia Army National Guard. He was retrained as a combat medic at the Army Medical School located at Fort Sam Houston, TX, and received his EMT-B Certificate. This medical training helped in preparing a path for his advancement with the Columbus Fire and EMS as the entity evolved. He received additional EMS training at Columbus Technical College where he earned an EMT-I

certificate. Sergeant Jones was deployed to Bosnia from 2001-2002 as a combat medic with Charlie Company 48th Infantry Brigade and assigned to the Troops Medical Clinic.

Sergeant Jones remembered that one of his most proud and patriotic moments occurred when the newly elected President George W. Bush, attended a military ceremony at Fort Stewart, Georgia. Sergeant Jones, being placed in the front line, received a face to face, eye to eye, hand salute from President Bush which was an emotional validation for Jones' patriotism and pride to be an American, and a morale boost supporting his motivation to serve and sacrifice for his country in Bosnia. Sergeant Jones presently continues to serve with the Air Force National Guard Services Unit which provides lodging, meals, recreation facilities, mortuary affairs, etc., for Air Force men and women.

Sergeant Jones has been awarded the following medals and commendations for his military service: Army Service Ribbon; Overseas Service Ribbon; Army Achievement Medal; Good Conduct Medal; National Defense Service Medal; Expert Ribbon; Sharpshooters Badge in Grenades; Driver/Mechanic Badge; Arm Forces Expeditionary Medal; Arm Forces Reserve Medal with "M" device; Nato Medal; Air Force Outstanding Unit Award with 2 devices; Global War on Terrorism Service Medal; Humanitarian Service Medal; and Georgia Humanitarian Service Ribbon.

Additionally, Sergeant Jones has academic accomplishments such as an Associate Degree in Elementary Education, an Associate Degree in Liberal Arts, an Associate Degree in Fire Science, and an Associate degree from the Community College of the Air Force. Sergeant Jones also has a Bachelors Degree from Troy University in Elementary Education, and currently working for a Masters Degree in Education from Center Michigan University.

Sergeant Jones is married to Kristy, and has three daughters, Sheron Jones, age 15 years; Victoria Jones, age 11 years; and step-daughter, Tawnee Tetschner, age 18 years. Sergeant Jones was born in Phenix City, Alabama, but grew up in Columbus, Georgia where he lived the majority of his life. Please give appreciation to Freedom Firefighter Ronald Jones, for his numerous contributions and sacrifice.



Volunteer Chiefs' Symposium

What a great symposium! Back in August we were host to a group of chiefs from volunteer and combination departments from around the State. The purpose of our meeting was to take a closer look at some of our rules that guide training and incident attendance for creditable service. We realize that in many instances one size does not fit all. Rules applicable to a combination department may not fit the guidelines needed for an all volunteer department.

The work of the fire service continues to grow in complexity with our mission ever expanding. It is very tough setting a protocol that meets the needs of the extra missions taken on, or thrust upon, fire departments.

When considering call response requirements, it is imperative that we have rules that volunteers are able to meet. In these rules we want to take adverse situations and reasonable circumstances into consideration. For instance, a department who had only four or five structure fire calls per year may have quite a collection of other calls for which the volunteers are summoned. This department needs the latter to be in their final equation. For these reasons we feel we should not arbitrarily rule out all calls that are not strictly structure fires.

In another light, many combination departments have to use a different protocol when they summon their volunteers. Since some or all of their stations have full time staffing, there may not be a need for volunteers at many of their incidents. One reason is that extra traffic and congestion could pose too great of a hazard. Another example is that some stations are fully staffed during the day and covered by volunteers at night and on the weekends.

We are currently considering a proposal to allow a chief to define what constitutes a "fire call" for that department. Another suggestion from the symposium is that any call that may require the deployment of any of the core comps may be considered as a fire call. These are only two of a number of good suggestions under consideration. We were, however, advised by Board Counsel that these proposals would be considered a change to the "rules and regulations." Therefore, they must be fully fleshed out and proposed as such. They must

then be given a public hearing before being implemented. The Board of Trustees must also be comfortable with the changes before implementation. As you can see we still have a ways to go, but progress is being made.

When addressing training, we were all in agreement that it must be meaningful and beneficial to the firefighter, their department and the overall fire service. We want to support and encourage proficiency and competency which was part of the legislative intent in creating the Pension Fund.

In this regard, in some smaller volunteer departments, equipment and vehicle maintenance could be considered as part of the training regimen. Again, it must be meaningful. Testing pumps, gauges, lights, sirens, and other vital equipment are important to the proficiency of the department and may be counted. Just showing up to check the oil and wash the truck is not training and should not count. With this being said, maintenance and upkeep in this proposal would not exceed 25% of the departments' total annual training credits. Also, any training used for creditable service must be offered to, and taken as a group. The only make up training allowed must be identical to that missed and taken with a group, under the instruction of an authorized training officer. Watching a video in itself is not make up training. Again all this must first be hammered out through the proper procedures prior to implementation.

It is not our intent to simplify, nor on the other hand obscure, the requirements for creditable service. The intent is to try to clarify some of these rules and their application. Our goal is to make sure firefighters and fire departments participating in the Pension Fund are trained and efficient in firefighting as required by law. When this is done, meeting the legislative intent in the creation of the Pension Fund has been accomplished.

When the Board of Trustees has had time to study the above mentioned changes and some others under consideration, we will make you aware of their decisions.

Your input is welcome. Please direct inquiries to field.coordinator@gfpf.org.



David Luther

COST SAVINGS!!!!

The GFPF NEWS & Annual Report are now being published in-house.

Georgia Firefighter's Pension Fund

Vital Statistics as of December 31, 2008

(FINANCIALS ARE PRELIMINARY)

Assets 409,174,784

Active Members 12,563

Retirees 3,409

FUND PERFORMANCE

Current Quarter -20.7%

Calendar Year 2008 (January 1-December 31, 2008) -35.0%

Fiscal Year to Date (July 1, 2008-December 31, 2008) -30.5%

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 \$699 per month

EXPECTED AVERAGE BENEFIT

PAYOUT OVER 25 YEARS

\$209,700

REMINDERS...

Membership Cards/Change of Address

As you are aware, we recently distributed membership cards to all active and retired members of the Pension Fund. As a result we had **630** participants with incorrect addresses. We cannot emphasize enough the importance of keeping your address current. Once the mail was returned, and we tracked down the correct address, we reissued a new card. This has cost us additional postage and processing cost.

Identification Numbers

Now that you all have your I.D. numbers, if you will use them on future changes, your fire departments will not have to pay to send them to us via FedEx to protect your social security numbers.

Refunds Due

Often, members leave their money in the Fund for different reasons, i.e. leave of absence and suspended-not refunded, with intentions to rejoin. If the member does not rejoin the Fund, and fails to request a refund of dues, after seven years, by statute (O.C.G.A. § 47-7-124(a)), the contributions become the property of the Georgia Firefighters' Pension Fund. Absent a current address there is no way of notifying the member prior to the expiration of seven years. This occurs often because we do not have a current address on file, see above.

Beneficiary Changes

Finally, please, please, please make sure you update your beneficiary information due to a life change of events, i.e. marriage, divorce, death. You may check your current beneficiary by visiting the web site, www.gfpf.org, using your member I.D. and password (last four digits of your social security number) and download the required change forms if necessary.



Sharon Drake

GFPF NEWS

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