

MITCHELL J. LANDRIEU, MAYOR
CITY OF NEW ORLEANS

OFFICE OF THE MAYOR

**MITCHELL J. LANDRIEU
MAYOR**

**EXECUTIVE ORDER
MJL 14-01**

WHEREAS, the New Orleans Firefighters Pension and Relief Fund (“Fund”) was created by the Louisiana Legislature to manage all money donated, paid, or assessed for the relief or pensioning of disabled, superannuated, and retired members of the fire department, their widows and minor children, or widowed mothers, and for the payment of death benefits.

WHEREAS, state law dictates that the Fund’s Board of Trustees (“Board”) shall have exclusive control and management of the fund and all money donated, paid, or assessed for the relief or pensioning of disabled, superannuated, and retired members of the fire department, their widows and minor children, or widowed mothers, and for the payment of death benefits.

WHEREAS, the Fund is comprised of two separate firefighter pension systems referred to as the “Old System” and the “New System.” The Old System funds pensions for firefighters employed on or before December 31, 1967, and the New System funds pensions for firefighters employed after December 31, 1967.

WHEREAS, the Fund filed suit regarding the City of New Orleans’ contributions to the New System for fiscal year 2012, and the court issued a judgment that the City pay an additional amount into the New System.

WHEREAS, the City submits that there are a number of causes for the Fund being insufficiently funded, many of which are beyond the City’s control.

WHEREAS, there is a critical need to study and act upon methods and procedures to make the Fund sustainable.

WHEREAS, in recent months and years, the City, the Board, and the Legislature have made modest changes to the structure and policies of the Fund including changing the Fund’s actuarial assumptions and methods; requiring a two-thirds vote of the Board to adopt, approve, ratify, modify or otherwise act upon any matter relating to the investment of Fund assets; reducing the Board from 10 members to 7 members and increasing Mayoral appointments from 2 members to 3 members; requiring a two-thirds vote of the Board to approve Cost of Living adjustments (COLAs) and disability retirements; increasing the annual employee contribution

rate from 6% to 10% of their salary; reducing the annual accrued rate from 3 1/3% to 2.75% for employees joining the department in 2015, and other modest changes.

WHEREAS, additional changes may be necessary to ensure the long-term sustainability and health of the Fund, and it is in the best interest of the residents of the City of New Orleans to have a Fund that can meet the City's obligation to active and retired firefighters and attract quality firefighter employees.

WHEREAS, the City has committed that no firefighter will go without his or her retirement benefits.

WHEREAS, addressing the Fund's operational and funding needs are issues of great public importance and that requires expert involvement and analysis.

WHEREAS, the Business Council of New Orleans and the River Region has long played a role in collaboratively working with government, civic, business and other organizations to address critical problems facing the region and has offered financial assistance in bringing pension experts to develop a shared path forward in stabilizing and reforming the Fund.

NOW, THEREFORE, I, MITCHELL J. LANDRIEU, by the authority vested in me as Mayor of the City of New Orleans by the Constitution and laws of the State of Louisiana and the Home Rule Charter and laws of the City of New Orleans, **HEREBY ORDER AS FOLLOWS**:

1. Effective Date:

This Executive Order is effective upon signature of the Mayor. This Working Group shall remain in effect for 12 months from the Effective Date of this Executive Order

2. Purpose:

The purpose of this Executive Order is the creation of the Firefighters Pension Reform Working Group ("Working Group") as a Mayoral Advisory Committee pursuant to Section 4-104 of the Home Rule Charter of the City of New Orleans.

3. Membership:

The Working Group shall have diverse membership representing the various stakeholders involved in reforming the Pension Fund, including City government, active and retired firefighters, and the taxpayer.

The Working Group shall be composed of nine (9) members appointed by the Mayor, including:

- Andy Kopplin, the First Deputy Mayor & Chief Administrative Officer for the City of New Orleans;

- Hon. Stacy Head, President of the New Orleans City Council;
- Tim McConnell, Superintendent of the New Orleans Fire Department;
- Paul C. Mitchell, Jr., Deputy Director of New Orleans Fire Fighters Pension & Relief Fund;
- Thomas F. Meager, III, Secretary-Treasurer of New Orleans Fire Fighters Pension & Relief Fund;
- Nick Felton, President of New Orleans Fire Fighters Association, Local 632;
- Hardy Fowler, an accountant and the former Managing Partner of the KPMG New Orleans office;
- Scott Jacobs, an insurance and risk management professional; and,
- Greg Rattler, Sr., the first Vice President of Government and Non-profit Banking at JPMorgan Chase in New Orleans.
- Paul Flower, President of Woodward Design-Build and Chairman of the Business Council of New Orleans & the River Region, shall serve as a non-voting Chairman of the Working Group.

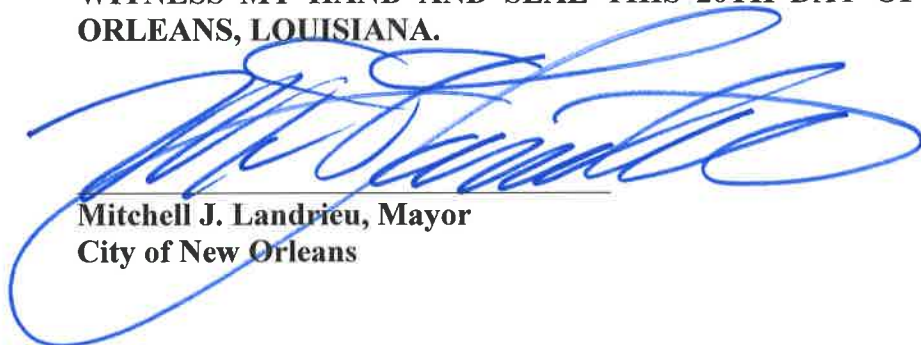
4. The Working Group shall be charged as follows:

- A. To examine the current status of the Fund's authorizing statutes, plans, governance procedure, policies and board structure.
- B. To review the current actuary's assumptions.
- C. To examine and review the current structures of other governmental entities' pension funds, boards, authorizing legislation, and policies to identify regional and national best practices, including comparing eligibility, benefits, and contributions to other public and private sector pension plans.
- D. To make recommendations to the Mayor, the New Orleans City Council, the Louisiana Legislature, and the Board regarding plan design alternatives including changes to structure, benefits, contributions, and policies to position the Fund, the City, and firefighters to have a financially sustainable and affordable retirement plan into the future. Alternatives must provide employees and retirees with a dignified, sustainable, and affordable retiree benefits package that is fair to employees, retirees and taxpayers.
- E. To undertake actuarial analyses of the financial impacts of changes to various plan provisions, analyses of potential ramifications of any changes, and projections of the City's annual required contributions of the current benefit structure as well as under multiple alternative plan structures.
- F. To facilitate meaningful discussions within the Working Group by a process adopted by the Working Group.
- G. To provide a report with final recommendations by February 1, 2015, in order for the City to have the opportunity to work with members of the Legislature to

introduce legislation prior to the commencement of the 2015 Regular Session of the Louisiana Legislature.

- H. To allow for public comment at all meetings of the Firefighters Pension Reform Working Group.

WITNESS MY HAND AND SEAL THIS 20TH DAY OF OCTOBER, 2014 AT NEW ORLEANS, LOUISIANA.



**Mitchell J. Landrieu, Mayor
City of New Orleans**