

# FOCUS F&P

## JANUARY 2011

### NEWSLETTER FOR RETIRED MEMBERS & BENEFICIARIES

#### 2% Increase to Certain Retirees and Beneficiaries Begins in January 2011

Beginning on retirement pay date January 21, 2011, retired members and beneficiaries will receive a 2% increase if the retiree or beneficiary meets both of the following requirements:

1. the retiree or beneficiary must have been receiving F&P retirement benefits for 2 or more years as of June 30, 2010, and
2. the retiree or beneficiary must have attained age 65 or older as of June 30, 2010.

Retired members receiving the 100% line-of-duty disability benefit and meeting requirement #1 above will receive the 2% increase regardless of age.

**See the accompanying article on page 2 concerning the New Provisions for Post-Retirement Benefit Increases.**

#### *From The Executive Director's Desk*



Thomas P. Taneyhill

To All F&P Retirees and Beneficiaries:

Last summer legislation was enacted that changed certain plan provisions for retired members, beneficiaries, and active members. For retirees and beneficiaries, the changes concern the way in which post-retirement

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#### Retired Police Director Theodore Weintraub Unanimously Elected Chairman of the F&P Board of Trustees



Theodore Weintraub

On July 20, 2010, the Board of Trustees unanimously elected Theodore I. Weintraub the new Chairman of the Board after the position became vacant when former Chairman Stephan Fugate decided to step down from the board.

During his career with the Baltimore Police Department, Mr. Weintraub served as Commanding Officer of the Northwestern District and the property crimes section. After retiring from the Police

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## **The New Provisions for Post-Retirement Benefit Increases**

Ordinance 10-306, passed in June 2010, changed the way increases are granted to retirees and beneficiaries of the Fire and Police Employees' Retirement System. The new requirements provide increases to retired members and beneficiaries of members based upon the attained age of the retiree or beneficiary and whether the retired member or beneficiary has been receiving retirement benefits for two or more years as of the June 30 eligibility determination date.

The provisions that apply to the new post-retirement increases beginning in January 2011 are as follows:

- Eligibility for a post-retirement increase is determined as of June 30 of each year.
- Increases are paid beginning in the January following the June 30 eligibility determination date.
- The retired member or beneficiary must have been receiving benefits for two or more years as of the June 30 determination date.
- A beneficiary of a retired member includes the time the retired member had been receiving benefits for the purpose of meeting the two year receipt of benefits requirement.
- A retired member or beneficiary who attains age 65 or older as of the June 30 determination date will receive a 2% increase. This provision is implemented with the January 2011 increase.
- A retired member or beneficiary who attains age 55 and is less than age 65 as of the June 30 determination date will receive a 1% increase. Implementation of this provision is deferred until the January 2012 increase.
- A retired member or beneficiary who has not attained age 55 as of the June 30 determination date will not receive an increase.
- A retired member or beneficiary who is or was receiving a 100% line-of-duty disability benefit will receive a 2% increase regardless of age. This provision is implemented with the January 2011 increase.
- The age requirements for a beneficiary are based on the age of the beneficiary as of the June 30 determination date not the retired member.

### **Post-Retirement Benefit Increase Beginning January 2011**

A retired member or beneficiary will receive a 2% increase in benefits beginning on pay date January 21, 2011, if the following requirements were met as of June 30, 2010:

- The retired member or beneficiary attained age 65 or is receiving a 100% line-of-duty disability benefit, and
- The retired member or beneficiary has been receiving retirement benefits for two or more years (a beneficiary of a retired member includes the years that the member received benefits).

## After 42 Years On The F&P Board Ed Heckrotte Serves His Final Term as Trustee



Edward C. Heckrotte, Sr.

It was the end of an era as the final term in office for Trustee Edward C. Heckrotte, Sr. came to an end on June 30, 2010. Mr. Heckrotte, who is fondly known as Porky to his friends and colleagues, has served on the F&P Board for nearly 42

years.

Mr. Heckrotte's involvement with the pension issues of public safety officers began long before the Fire and Police Employees Retirement System (F&P) was even established in 1962. For Ed Heckrotte it began with the unexpected deaths of two firefighters. Though the circumstances of their deaths were different, it was what they shared that sparked a call to action by Mr. Heckrotte. Even though both men had over 35 years on the job, their wives and the children they left behind were not entitled to any type of pension benefit from the retirement system. This began Mr. Heckrotte's commitment to work on behalf of the widows and orphans of his fellow firefighters.

Mr. Heckrotte joined the Baltimore City Fire Department in 1954 and began serving on the F&P Board in 1968 when he was elected as the employee representative for the Fire Department members. In 1988, Mr. Heckrotte was elected Co-Chairman of the Joint Boards of Trustees; this was at a time

when the F&P Board met jointly with the Board of the Employees' Retirement System, the retirement plan for City civilian employees. In 1988, Ed was also elected Chairman of the F&P Board of Trustees. He continued as F&P Board Chairman until 1994. He also served from 1972 to 1994 as Chairman of the F&P Investment Committee. Through the work of this committee, the concept of the "multi-managers" program for the investment of the System's assets was implemented.

Mr. Heckrotte served as the active member representative trustee until his retirement in June 1996. After his retirement, Mr. Heckrotte was elected to serve as the Fire Department retired member representative on the Board beginning in November 1996. He was reelected to the retired member trustee position for three additional four year terms.

Mr. Heckrotte served as a member of the Baltimore Fire Fighters Local 734 Executive Board for over 12 years. He was twice president of the Baltimore Fire Fighters Local 734 I.A.F.F. He was a member of the executive boards of both the metropolitan Baltimore Council AFL-CIO and the Maryland State and District of Columbia AFL-CIO. Mr. Heckrotte is Secretary/Treasurer Emeritus of the Maryland State and District of Columbia Fire Fighters.



Edward Heckrotte is presented with a gift at his final meeting on behalf of the Board from Executive Director Thomas Taneyhill as Stephan Fugate looks on.

He was very active in the area of public retirement systems. Mr. Heckrotte was also one of the co-founders of MAPPS, The Mid-Atlantic Public Pension Systems, whose purpose is to afford peers an opportunity to discuss the

*Heckrotte continued on page 6*

**Trustee Election Results: Fire Department Active and Retired Member Representatives**

Captain Ray Hudson wins the FD Active Member Trustee Election

The ballot count for the Fire Department active employee member representative trustee election was held on Tuesday, June 8, 2010. Members were permitted to vote by mail, by telephone, or via the internet.

Candidates for the active member trustee position were required to file an “Official Application for Petition” in person at the Fire & Police Retirement System’s office. Candidates had to collect and submit 100 valid signatures of active Fire Department F&P members to qualify to be placed on the ballot. The trustee election was conducted by an independent company, the American Arbitration Association (AAA) located in Philadelphia, PA. Voting instructions and ballots were mailed to eligible members on May 7, 2010. Mailed paper ballots had to be received at the offices of AAA by 10:00 am on June 8, 2010. Voting by telephone and via the internet also closed at that time. Votes were tabulated and certified by AAA. Ballot secrecy was maintained at all times.

The total number of ballots cast was 562 and the election result was:

<b>Captain William “Ray” Hudson</b>	<b>383</b>
<b>Lieutenant Donald M. Dziwulski</b>	<b>179</b>

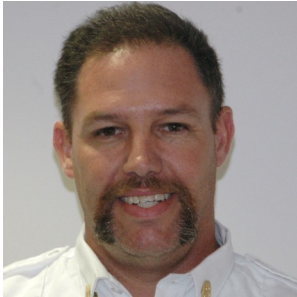
Captain Hudson was elected to serve a four-year term beginning July 1, 2010 and ending June 30, 2014. Captain Hudson replaced Captain Steve Fugate whose term ended on June 30, 2010

Retired Fire Lieutenant Joseph Machovec ran unopposed

Retired Lt. Joseph Machovec ran unopposed for the Fire Department Retired Member Representative Trustee replacing retired Pump Operator Ed Heckrotte whose term ended on June 30, 2010. Lt. Machovec’s term as F&P trustee commenced July 1, 2010, and continues to June 30, 2014.

Candidates for the retired FD member trustee position were required to file an “Official Application for Petition” in person at the Fire & Police Retirement System’s office. Candidates had to collect and submit 25 valid signatures of retired F&P Fire Department members to qualify to be placed on the ballot. In accordance with F&P Board Election policy, since Lt. Machovec had no opposition, the Executive Director was not required to mail ballots to conduct an election and the F&P Board of Trustees confirmed Lt. Machovec as the winning candidate.

## Captain Ray Hudson Is Elected the Fire Department Active Member Representative on the F&P Board of Trustees



**William “Ray” Hudson**

Captain Ray Hudson is the newly elected Fire Department active member representative trustee to serve on the Board of Trustees of the Fire and Police Employees’ Retirement System.

Born and raised in Baltimore City, Captain Hudson is a 19 year veteran of the Fire Department. Captain Hudson became active in the union upon entering the Baltimore City

Fire Department. Captain Hudson is a member of the Fire Department’s Award Commendation Committee as well as the Medals Day Committee.

Captain Hudson is married with three children and hopes to show his children the importance of personally getting involved. Perhaps his own words say it best, “I am my brother’s keeper and being on the F&P pension board is a way for me to act on those words.”

## Retired Fire Lt. Joseph Machovec runs unopposed in the Fire Department Retired Member Representative Trustee Election



**Joseph F. Machovec**

Retired Lt. Joseph F. Machovec ran unopposed in the election for the retired Fire Department member representative trustee. According to the F&P Board election policy, Lt. Machovec was confirmed by the Board as the Fire Department retired member trustee

at the Board’s April 20, 2010, meeting.

Lt. Machovec served in the Baltimore City Fire Department for 30 years before retiring in March 2005. While an active member of the Fire Department, Lt. Machovec served on the Board of Directors for the Metropolitan Fire Fighters Burn Center Fund. He also served as Battalion Representative and Trustee

in Baltimore Fire Fighter’s Local 734 and then as Recording Secretary and 2nd Vice President of the Baltimore Fire Officers Local 964.

Lt. Machovec followed in his family’s proud tradition of serving in either the BCFD or the BCPD. He continues to uphold their legacy by serving in the Fire Department and now joining the Fire and Police Retirement System Board of Trustees.

Lt Machovec replaces Retired Pump Operator Edward Heckrotte Jr. who stepped down from his position as the Fire Department retired member representative trustee after serving 42 years on the F&P Board.

*Director's Desk continued from page 1*

benefit increases are determined, the increase percentages payable and minimum benefits paid to certain beneficiaries of retired members. The changes to the post-retirement increase provisions and the percentage increase payable in January 2011 are covered in this newsletter.

Over the past few months many changes have also taken place within the F&P's Board of Trustees. Due to the recent Trustee elections and the passage of City Council Bill 10-0519 which in its final form became Ordinance 10-306, the Board welcomed four new Trustees as well as a change in the leadership positions of Chairman and Vice Chairman.

This newsletter will provide an overview of the Board of Trustees and its election process. You will also be introduced to the four new members of the Board of Trustees, along with the new Chairman and Vice Chairman. In addition, we will bid farewell to the outgoing Trustees.

I would like to personally thank former Board Chairman Fire Captain Stephan Fugate and Board Vice Chairman Retired Fire Pump Operator Edward Heckrotte, the F&P Board's very own Ironman, for their time, energy, and dedication to the Fire and Police Employees' Retirement System. I am greatly honored and privileged to have worked for and with both Steve and Ed.

I look forward to working with the new Trustees in continuing the tradition of building a brighter and stronger future for all F&P members.

On behalf of the Board of Trustees, I wish you and your family a healthy and happy year ahead.

Sincerely,  
Tom Taneyhill  
Executive Director

*Weintraub continued from page 1*

Department in 1981 as Major Director of the Communications Division, Mr. Weintraub went on to spend nine years as Chief of Central Communications for Baltimore County and five years as Director of Police Emergency Communications for Montgomery County. He also was appointed by three Maryland Governors as Chairman of the Emergency Number Systems Board which provides oversight and fiscal aid to the state's 911 centers.

Mr. Weintraub, who first began his service with the F&P Board of Trustees on July 1, 1996, as the Police Department Retired Member Representative, brings with him over 48 years of experience and interaction with various police and fire departments to his new position as Chairman of the Board of Trustees.

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*Heckrotte continued from page 3*

day-to-day operations and the investment trends of their retirement systems. Mr. Heckrotte was a consultant to several local unions within the International Association of Fire Fighters and has appeared as an expert witness before domestic and international forums and courts on retirement benefit related matters.

Mr. Heckrotte can list a multitude of accomplishments over his career on the F&P Board. Yet, he takes the most pride in his work on behalf of all of the widows and children of F&P members.

## Captain Stephan Fugate Steps Down from the F&P Board



**Stephan Fugate**

After serving three consecutive terms on the F&P Board of Trustees, Captain Stephan Fugate decided to step down from his Trustee position. Captain Fugate's term of office on the F&P Board expired on June 30, 2010.

Captain Fugate's first four year term began July 1, 1998. Captain Fugate ran for the active Fire Department trustee position because he felt it was important to have a union official on the F&P Board of Trustees. He was elected chairman of the F&P Board by his fellow trustees and served in that capacity from January 2000 until June 2010. Before joining the F&P Board, Captain Fugate spent more than 20 years working on pension

enhancement activities on behalf of the Fire Fighter's Local 734 and the Fire Officers Local 964. He also served on the executive board of the National Conference on Public Employee Retirement Systems, the organization from which the premise for the Deferred Retirement Option Plan (DROP) was adopted.

As his term came to an end, Captain Fugate reflected that it is the people he will miss the most stating, "I will miss all of the great people on the F&P staff working tirelessly for the benefit of the men and women of the BCPD and BCFD."

Captain Fugate continues to serve as president of the Fire Officers Local 964.

## Peter Keith Elected Vice Chair of the F&P Board of Trustees



**Peter E. Keith**  
(Photo from Gallagher,  
Evelius & Jones)

Peter E. Keith was elected Vice Chair of the Board of Trustees on July 20, 2010, succeeding Edward Heckrotte whose term ended June 30,

2010.

Mr. Keith, a partner at Gallagher, Evelius & Jones, LLP specializing in civil litigation, was first appointed to the Board of Trus-

tees in March 2005 by then Mayor Martin O'Malley.

Mr. Keith has a long history of service in both the public and private sectors. A former Assistant Attorney General, Mr. Keith prosecuted bank officials and real estate developers in the wake of the collapse of the state insured savings and loan industry. He has handled many trust, endowment and financial matters over the years, including cases with the Maryland Securities Commissioner, the Federal Trade

Commission, colleges and universities, and major banks. He also has represented the U.S. House of Representatives during a federal judicial impeachment. Mr. Keith's practice areas include education, employment, and health law to name a few.

Mr. Keith is an Adjunct Professor with The University of Maryland School Of Law teaching Pre-Trial Civil Litigation.

## Frank Coakley returns to the F&P Board as a Trustee



**Frank B. Coakley**

On October 5, 2010, Frank B. Coakley was sworn in by Mayor Stephanie Rawlings-Blake as Trustee for the Board of the Fire and Police Employees' Retirement System. A graduate of Morgan State University, Mr. Coakley was appointed by Mayor Rawlings-Blake as a Trustee

to the F&P Board.

Currently Mr. Coakley serves as Assistant Secretary and Director of the Community Development Admin-

istration for Maryland's Department of Housing and Community Development. Mr. Coakley brings an extensive amount of experience to the F&P Board including previously serving as a Trustee for the F&P Board. In addition, he also served as Vice Chairman of the Board for both the Baltimore City Employees' Retirement System and Elected Officials' Retirement System.

A strong supporter of education Mr. Coakley is presently a Trustee of the Baltimore City College Scholarship Funds and Secretary for the Morgan State University Foundation Board.

## Finance Director Edward Gallagher joins the F&P Board as a Trustee



**Edward Gallagher**  
(Photo from baltimorecity.gov)

On July 20, 2010, the Board of Trustees welcomed Edward J. Gallagher, the City of Baltimore's Finance Director, as one of its newest Trustees.

The addition of the Finance Director to the F&P Board was determined by the passage of City Council Bill 10-0519 which became Ordinance 10-306.

With numerous degrees including a Master's Degree in mathematics from Brown University, Mr. Gallagher brings a wealth of experience and knowledge to the Board of Trustees. Before his appointment as Finance Director, Mr. Gallagher also held the positions of Director of the Bureau of the Budget and Management Research and Deputy Director of Finance of the City of Baltimore. Mr.

Gallagher's previous experience also includes being the Finance Director and Budget Director of Monroe County, New York.

Mr. Gallagher has shared his finance knowledge with students by teaching and lecturing at various higher educational institutions including the University of Baltimore.

## City of Baltimore's Prescription Drug Plan Changes for 2011

The rising cost of healthcare affects all of us across the country. The City of Baltimore continues to be affected by the rising costs of healthcare as well. In order to continue to offer valuable benefits to retirees and their dependents, the City of Baltimore must implement changes to its prescription drug plan for next year.

Starting January 1, 2011, the following changes will be implemented:

- 1) The City of Baltimore will no longer offer a "prescription drug only" plan.
- 2) The City of Baltimore will require retirees to contribute towards the cost of the prescription drug premium.

Prescription drug coverage will only be available to retirees and their dependents that are enrolled in one of the City's medical plans. You must be enrolled in one of the City's medical plans to continue receiving prescription drug coverage.

If you and your dependents currently have "prescription drug only" coverage through the City and are not enrolled in one of the City's medical plans, you will lose your prescription drug coverage after December 31, 2010, unless you have enrolled in a City medical plan for 2011.

If you have chosen one of the City's medical plans, your prescription drug contribution will be combined with your medical plan contribution as a single payroll deduction from each pension benefit check.

If you have questions regarding these changes to your prescription drug plan benefit, or any questions concerning your healthcare please contact the Employee Benefits Division of the Department of Human Resources.

### **Department of Human Resources – Employee Benefits Division**

201 E. Baltimore Street, Suite 500  
Baltimore, Maryland 21202  
410-396-5831

Hours of operation are Monday through Friday, 8:30 a.m. to 4:30 p.m.

## Franscine M. Beads, F&P Retirement Benefits Manager



Franscine Beads has spent the last 37 years dedicating her life to providing retirement benefits help to the employees of the city of Baltimore.

### Franscine M. Beads

Ms. Beads began her career as an office assistant in July 1973 at what was then known as the Employees' and Fire and Police Employees' Retirement Systems. Over the next 30 years with hard work and dedication, Ms. Beads worked her way from Office Assistant to Retirement Benefits Analyst with the Employees' Retirement System to Retirement Benefits Supervisor and now the Retirement Benefits Manager with the Fire and Police Employees' Retirement System.

*MEET THE F&P  
STAFF*

As Retirement Benefits Manager Ms. Beads oversees the daily operations of the Member Services and Records offices of the F&P which provide services to over 4,500 active members and over 6,000 retired members and beneficiaries. Ms. Beads manages a staff of twelve which includes four benefit analysts, who counsel's members and benefit applicants, along with a support staff of eight who

provide services to disability applicants as well as maintaining member records and operations.

Ms. Beads and her staff ensure accurate and timely benefit payments to retired members and beneficiaries, calculate service retirement benefits, DROP benefits, disability and death benefits, process disability applications and hearings, process service purchase requests, maintain membership records and member appointment schedules. In addition Ms. Beads conducts staff training and seminars for new members, as well as members contemplating retirement.

As Retirement Benefits Manager, Ms. Beads views first hand the highs and lows of an F&P member's life. She helps with the excitement and uncertainty of retirement along with helping members and their families cope with injuries and illness or the loss of a loved one.

When asked what keeps her motivated after all these years, Ms. Beads simply replies "Compassion for the members of the F&P." Ms. Beads continues to not only provide members with the best retirement service possible, but she also inspires those she works with to do the same.

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### Contact the F&P Information

#### Mailing Address:

Fire and Police Employees' Retirement System  
7 E. Redwood Street  
18<sup>th</sup> Floor  
Baltimore, MD 21202

The Member Services offices are located on the 18<sup>th</sup> floor of the same building as MECU between Charles and Light streets.

Office Hours: Monday through Friday 8:30 am to 4:30 pm, excluding holidays and furlough days.

Main Number: 410-497-7929 / Option 3  
Toll Free Line: 1(888) 410-1600  
General Fax Number: 1(888) 443-7008

Email Address: [ContactBCFP@bcfpers.org](mailto:ContactBCFP@bcfpers.org)

Website: [www.bcfpers.org](http://www.bcfpers.org)

## WHAT'S NEW AT THE F&P?

### New Telephone Numbers for the Fire and Police Employees' Retirement System

In a continuing effort to improve its customer service capability, the Fire and Police Employees' Retirement System has implemented a new telephone system.

In addition to providing the caller with clearer sound, the new telephone system offers members an array of options when calling the F&P office. The new system will make it easier to navigate among the different departments. When prompted the caller can select option 1 for Member Services,

which handles many types of issues including service retirement; disability and death benefits; withdrawal forms; DROP applications; change of beneficiaries and change of address. The caller can also select from the Accounting, Administration, and Legal departments when prompted. Also callers will now be able to leave a voicemail message for a specific person.

Due to the upgrade the F&P

telephone numbers have now changed. Please take a moment to note the new telephone numbers:

Main Number: **410-497-7929**  
Toll Free Line: **1(888) 410-1600**  
General Fax Number: **1(888) 443-7008**

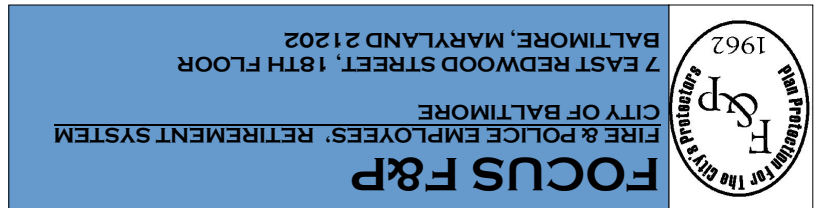
The Fire and Police Employees' Retirement System is dedicated to providing its members with the best possible customer service.

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### Inside Upcoming Issues:

- Plan Provision Changes
- Retired Member Statements
- Summary Financial Report
- Form 1099R
- Trustee Updates
- New Maryland Power of Attorney Law
- Meet the F&P Staff

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## A NEWSLETTER FOR RETIRED MEMBERS AND BENEFICIARIES OF THE F&P

This publication is created by :  
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Address inquiries to the F&P  
offices at the above email or postal  
address or the  
telephone number below.

(410) 497-7929 Baltimore Area  
1 - (888) 410-1600 Toll Free

### Board of Trustees

Theodore I. Weintraub, Chairman  
Peter E. Keith, Esq., Vice-Chairman  
James S. Clack  
Frank B. Coakley  
Edward J. Gallagher  
Steven E. Histon  
William R. Hudson  
Joseph F. Machovec  
Deborah A. Owens  
Joan M. Pratt, CPA

Thomas P. Taneyhill, CPA  
Executive Director

### Keep Us Updated On Your Current Address!

It is very important that the F&P have updated current information on file every time there is any type of change in order to serve you better.

When updating your information, please include your name, phone number, date, and the last four digits of your social security number.

### **F&P WEBSITE!!**

**The F&P is available at your finger tips with just a click of a mouse.**

**Go online at [www.bcfpers.org](http://www.bcfpers.org) to view information regarding F&P benefits.**

**You are encouraged to visit the website regularly for information updates.**