

## **MINUTES OF THE HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND**

A meeting of the Houston Firefighters' Relief and Retirement Fund (HFRRF) Board of Trustees convened at the Fund offices at 4225 Interwood North Parkway on Thursday, August 20, 2009 at 10:17 a.m.

Trustees present were Kevin Brolan (Chair), V.E. Rogers (Vice Chair), Ted Downing (Secretary), Harold W. McDonald, Todd E. Clark, Gary M. Vincent, Albertino Mays, Craig T. Mason, Dr. Robert Stobaugh and the Honorable Helen Huey. Others present were staff members Christopher Gonzales (Executive Director/Chief Investment Officer), Jonathan W. Needle (Chief Legal Officer) and Glenna Hicks (Deputy Director of Member Services).

The Chair called the meeting to order at 10:17 a.m. and invited comments from the public.

Retired Firefighter William "Bill" Hausinger expressed his appreciation to the Board.

Retired Firefighter Lance Stahl expressed his views against any provision of bonuses for Fund staff, reading a letter on that subject to the Trustees and requesting the letter be placed in the minutes. The Board Chair noted that Mr. Stahl would receive a response to his comments by letter.

Retired Firefighter S.D. Williams voiced his support of Mr. Stahl's comments.

There was a motion by Todd E. Clark, seconded by V.E. Rogers to approve the minutes of the regular Board meeting held on Thursday, July 16, 2009. The motion carried.

There was a motion by Harold W. McDonald, seconded by Ted Downing, to adopt the report of the Pension Benefits Committee held on Thursday, July 16, 2009. The report noted the following: Deferred Retirement Option Plan (DROP) applications effective August 1, 2009; Post Retirement Option Plan (PROP) applications effective August 1, 2009; approval of Exhibit "PB3", regarding applications for membership into the Fund; and approval of disability pension continuation based on re-examinations and the Fund physician's reports, as shown on Exhibits "PB4" (1), "PB4" (2), "PB4" (3), "PB4" (4) and "PB4" (5), with no further re-examinations required at this time. The motion carried.

The Board noted the Deferred Retirement Option Plan (DROP) information effective August 1, 2009.

There was a motion by Todd E. Clark, seconded by Helen Huey, to adopt the report of the Pension Benefits Committee held on Thursday, August 13, 2009. The report noted the following: Deferred Retirement Option Plan (DROP) applications effective September 1, 2009; Post Retirement Option Plan (PROP) applications effective September 1, 2009; and a disability pension benefit continuation as noted as Exhibit "PB3", based on the Advisory physician's report, with no further re-examinations required at this time. The motion carried.

The Board noted the Deferred Retirement Option Plan (DROP) information effective September 1, 2009.

There was a motion by V.E. Rogers, seconded by Harold W. McDonald, to approve the Report of the Budget and Audit Committee (B&A) meeting held on Thursday, July 16, 2009. The motion carried.

There was a motion by Harold W. McDonald, seconded by Ted Downing to approve the B&A Committee's recommendation to authorize that \$5,100 be added to the Levi, Ray & Shoup, Inc. contract amount as a one-time payment for a special feature in the PensionGold system. The motion carried.

The Executive Director/Chief Investment Officer presented the proposed FY 2010 Budget as adopted by the B&A Committee. He made note of an estimated \$1 million saved in the operating budget for fiscal year 2009 and ongoing savings of approximately \$500,000 in future years compared to previous years. He then highlighted certain components of the FY 2010 budget and concluded the presentation noting that the incentive program would be re-visited for the purpose of improving the structure of the plan. There then was a motion by Harold W. McDonald, seconded by Albertino Mays to adopt the proposed FY 2010 Operating Budget as presented. The motion carried.

There was a motion by Todd E. Clark, seconded by Dr. Robert Stobaugh to approve the minutes of the Personnel and Procedures Committee meeting held on Thursday, August 13, 2009. The motion carried.

There was a motion by Albertino Mays, seconded by Ted Downing to approve the minutes of the Investment Committee meeting held on Thursday, July 16, 2009. The motion carried.

There was a motion by Harold W. McDonald, seconded by the Honorable Helen Huey to approve the minutes of the Investment Committee meeting held on Thursday, August 13, 2009. The motion carried.

There was a motion by Harold W. McDonald, seconded by V.E. Rogers to adopt the report of the Memorial Committee meeting held on August 13, 2009 and to approve a Memorial policy to give priority to immediate family members (i.e. spouse, parents, children, and siblings) of "line of duty death" members to designate (and pay for expense of) an inscription on a Memorial Garden bench per line of duty death member within one year of the member's death. The motion carried.

Craig T. Mason stated the City's modified request for release of certain member data for active firefighters not enrolled in the Deferred Retirement Option Plan (DROP) and the advantages of acquiring that data from the Fund. The Chief Legal Officer stated that should the Board wish to consider the terms of the City's request for release of member data, a confidentiality agreement might well still be appropriate to help protect Fund-provided active member information. Mr. Gary M. Vincent suggested that since the City currently has access to the requested member data, the City's actuarial agent should access the desired member data for its studies from the City's payroll records. There was a motion by Gary M. Vincent, seconded by Harold W. McDonald, that due to the confidentiality concerns about the release of personal member information by the Fund and the upcoming actuarial valuation by the Fund's actuary that will be conducted with updated data, the Board declines to provide the requested actuarial file information to the City or its actuary at this time. The motion carried with Craig T. Mason opposed.

Dr. Robert Stobaugh suggested that the Board select a Committee to communicate with the City to develop sustainable funding methods for the benefit structure of the firefighters' plan.

The Chief Legal Officer provided an explanation of the staff's social security status and certain steps to be taken to affirm the social security status of the Fund's employees.

The Board Chair, Executive Director, Chief Legal Officer and Deputy Director of Member Services provided their monthly reports.

The Chair noted miscellaneous letter sent and received. Craig T. Mason inquired about correspondence sent from the Mayor's Office to HFRRF related to the Fund and its investments. The Board Chair stated that the noted correspondence was received and would be addressed in the upcoming Investment Committee Workshop scheduled for Tuesday, August 25, 2009.

The following was noted as an item for a future agenda:

V.E Rogers requested that information be provided to the Board about employee compensation from other pension plans for comparison purposes.

There being no further business, the meeting adjourned at 12:16 p.m. on a motion by Harold W. McDonald, seconded by Todd E. Clark. The motion carried.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ted Downing". The signature is written in black ink and is positioned above the typed name.

Ted Downing  
Secretary