

January 10, 2012

Houston Firefighters Vow to Protect Retirement Pensions from Mayor's Task Force Looking to Raise Cash

Houston, TX - January 10, 2012: The Mayor's task force announced today they are specifically targeting the retirement funds of city firefighters as a way to generate cash for a city burdened by fiscal mismanagement. The task force has been a set-up job from the very beginning. There are people on this task force that do not understand pensions, but yet they want to make changes.

"This is a fight for the dignity of Houston firefighters and their families," says Chairman Todd Clark of the Houston Firefighter's Relief and Retirement Fund. "The Mayor tried and failed last year to find legislative support in Austin to strip our local heroes of their hard-earned retirement and now she's trying again but this time by hiding behind a mayor created task force that doesn't understand how the pension system works."

The employee trust fund is not for the mayor to fund her favorite projects. She apparently sees the recent nationwide pension bashing as an opportunity to use for her own purposes money dedicated to the firefighters pension trust. This committee was pre-programmed for Mayor Parker to hear what she wanted to hear, it is not independent in any way.

Unlike the City of Houston, firefighters Relief and Retirement Fund is a well-managed, fully funded entity with \$3 billion in assets. There are currently 6,511 members of the plan. Because Houston firefighters are ranked nationally 139th in base pay and do not participate in or receive Social Security benefits as part of their compensation package, the pension system is often retirees' only lifeline after they retire.

Taxpayers only pay approximately one-fifth of the benefits going to firefighters with the other eighty percent coming from the trust and firefighters themselves. Based on the projected payroll for 2012, 2013 and 2014 the City's contribution to the Fund will be \$12.5 million less than the last three years, a savings of \$37.5 million.

The Houston Firefighters' Relief and Retirement Fund has grown in size since being founded 1937. Originally administered by the City of Houston, in 1988 the Board of trustees started hiring independent staff and exercising more autonomous control. In 1988 the market value of the Fund assets was \$468 million. The plan is governed by Texas statute.

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