

MINUTES OF THE HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

A regular meeting of the Houston Firefighters' Relief and Retirement Fund (HFRRF) Board of Trustees convened at the Fund offices at 4225 Interwood North Parkway, Houston, Texas 77032 on Tuesday, October 16, 2018 at 10:04 A.M.

Trustees present were Brett Robert Besselman (Chair), Francis "Frank" X. Maher (Secretary), Garry W. Blackmon, Sr., Juliet N. Higgins, Earnest Wotring, Arif Rasheed, Lisa R. Slagle and Albertino "Al" Mays. Trustee absent was Stephen R. Whitehead. Trustee Position V is vacant. Others present were staff members Ralph D. Marsh (Executive Director) and Jonathan W. Needle (Chief Legal Officer).

The Chair called the meeting to order at 10:04 A.M.

The Board recited the Pledge of Allegiance and observed a moment of silence.

There was a motion by Garry W. Blackmon, Sr., seconded by Albertino "Al" Mays, for approval of the minutes of the regular Board meeting held on Tuesday, September 18, 2018. The motion carried.

There was a motion by Garry W. Blackmon, Sr., seconded by Lisa R. Slagle, for approval of the following items listed on the Consent Agenda:

- a. Report of the Pension Benefits Committee meeting held on Tuesday, September 18, 2018.
- b. Minutes of the Investment Committee meeting held on Tuesday, September 18, 2018.

The motion carried.

The report of the Pension Benefits Committee meeting held on Tuesday, September 18, noted the following: Approval of 3 Deferred Retirement Option Plan (DROP) application(s) to be effective October 1, 2018; approval of an application for disability benefits under Section 6(c) as shown on Member Services Report (1); and, approval of an application for a Deferred Retirement as shown on Member Services Report (2) to be effective June 1, 2035.

The Chair noted the Fund's Audited Financial Statements and Supplemental Information for the fiscal year-ended June 30, 2018 presented by McConnell & Jones, LLP, to the Budget and Audit Committee, with no audit adjustments required and no irregularities identified. There was a motion by Arif Rasheed, seconded by Albertino "Al" Mays, to approve the Fund's Audited Financial Statements and Supplemental Information for fiscal year ended June 30, 2018, as presented. The motion carried.

Aaron Shapiro, FSA, EA, MAAA, FCA, Principle Consulting Actuary reviewed a draft of the Fund's FY 2019 Risk Sharing Valuation Study (RSVS) prepared by the Buck Consulting Group, LLC. The Executive Director noted that the RSVS will be used in determining the City of Houston's (the City) contribution rate to the firefighter plan, noting its subsequent submission to the City under the provisions outlined in SB2190.

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Claudia McInnis, Director of Finance and Administration, reviewed the Fund's consolidated financials and highlights for the 4th quarter ending June 30, 2018, noting the Fund's plan net assets totaling \$4.170 billion as of June 30, 2018.

The Chair noted with no opposition that the Houston Retired Firefighters Association (HRFA) information flier will be included as an insert in the retirement materials provided to retiring Fund members.

The Chairman informed the Board of recent governmental relations activities and recognized Ms. Sharon Johnson on her 25 years of service and upcoming work anniversary at the Fund and announced a reception to be held at the Fund on Tuesday, November 20, 2018 at 1pm to celebrate Ms. Johnson's significant milestone. He then recognized courtesies extended to former Trustee David L. Keller, Jr., and noted a vacancy in Trustee Position V (Five) on the Board.

The Executive Director presented scenarios for Board member replacement consideration due to a vacancy on the Board of Trustees created by the resignation of an elected member whose term has not yet expired. There was a motion by Francis "Frank" X. Maher, seconded by Garry W. Blackmon, Sr., to immediately hold a Special Election to fill Trustee Position V due to the resignation of the trustee formerly elected to the position and to elect a trustee to complete the unexpired term from the classified firefighters assigned to work full-time in Fire Alarm Operators Division, as soon as possible (Scenario #2). The motion carried.

Martin Hubert, Tony Essalih, Steve Holzheuser and Craig Holzheuser, Cornerstone Government Affairs, lead discussions on Fund Governmental relations leading into Texas' 86th legislative session.

Garry W. Blackmon, Sr., exited the meeting at 11:10 A.M.

The Chief Legal Officer updated the Board on an appeal of a disability determination.

The Chief Legal Officer reported on the Fund's litigation against the City of Houston relating to Senate Bill 2190 in the latest Texas legislature.

There being no further business, the meeting adjourned at 11:32 A.M., on a motion by Albertino "Al" Mays, seconded by Francis "Frank" X. Maher. The motion carried.

Respectfully submitted,

Francis "Frank" X. Maher
Secretary