

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, December 18, 2018 at 10:05 A.M.

Trustees present were Brett Robert Besselman (Chair), Stephen R. Whitehead (Vice Chair), Francis "Frank" X. Maher (Secretary), Juliet N. Higgins, Gerard L. Daniels, Earnest W. Wotring, Albertino "Al" Mays, and Lisa R. Slagle. Trustees absent were Garry W. Blackmon, Sr., and Arif Rasheed. Others present were staff members Ralph D. Marsh (Executive Director), Jonathan W. Needle (Chief Legal Officer), and Ajit Singh (Chief Investment Officer).

The Chair called the meeting to order at 10:05 A.M.

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

Chairman Brett Besselman thanked Francis "Frank" X. Maher, whose term ends December 31, 2018, for his service in Trustee Position X on the Board of Trustees since 2010.

Retired Fund Member Steve Williams wished all in attendance a Merry Christmas and a Happy New Year. He then commented on various Fund administrative occurrences and the consequences. He also commented on speculative rumors about potential hires at the Fund and policy shifts in authorities of the Board and the weight of public perception.

Retired Fund Member Lance Stahl thanked Francis "Frank" X. Maher for his service as a trustee on the Board. He requested the security gate leading to the entrance of the public parking lot be unlocked and open on dates when there are meetings held at Fund offices. He also requested feedback from the Board on comments made by the public and consideration of moving public comments to the end of the Board meetings.

Retired Fund Member Nick Salem thanked Francis "Frank" X. Maher for his service as a trustee on the Board noting Mr. Maher as a founding member of the Houston Retired Firefighters Association (HRFA). He concluded his comments wishing everyone a Merry Christmas and a Happy New Year.

There was a motion by Stephen R. Whitehead, seconded by Juliet N. Higgins, for approval of the minutes of the regular Board meeting held on Tuesday, November 20, 2018. The motion carried.

The Chair called for a vote by the elected members of the Board on the Citizen Member position on the Board. There was a motion by Francis "Frank" X. Maher, seconded by Juliet N. Higgins, to appoint Albertino "Al" Mays to the citizen member position for a two-year term on the Board of Trustees effective January 1, 2019. The motion carried.

There was a motion by Stephen R. Whitehead, seconded by Lisa R. Slagle, to approve the following items listed on the Consent Agenda:

- a) Revised Report of the Budget and Audit Committee meeting held on Tuesday, July 17, 2018;
- b) Report of the Pension Benefits Committee meeting held on Tuesday, November 20, 2018;
- c) Report of the Pension Benefits Committee meeting held on Tuesday, December 11, 2018;
- d) Minutes of the Investment Committee meeting held on Tuesday, November 20, 2018;
- e) Report of the Budget and Audit Committee meeting held on Tuesday, November 20, 2018; and,
- f) Minutes of the Personnel and Procedures Committee meeting held on Tuesday, November 20, 2018.

The motion carried.

The report of the Pension Benefits Committee meeting held on Tuesday, November 20, 2018, noted the following: Approval of 1 Deferred Retirement Option Plan (DROP) application(s) to be effective December 1, 2018; deferral of application(s) for disability benefits under Section 6(b) for a future meeting; approval of an application for reinstatement with a pension entrance date of June 2, 2018 as shown on Member Services Report (2); approval of an application for reinstatement with a break in service as shown on Member Services Report (3); continuation of disability benefits upon re-examination for disability benefits under Section 6(b) of the Statute as shown on Member Services Report (4); and, continuation of the disability benefits upon a random re-examination under Section 6(b) of the Statute as shown on Member Services Report (5).

The report of the Pension Benefits Committee meeting held on Tuesday, December 11, 2018, noted the following: Approval of an application for disability benefits under Section 6(b) of the Statute, based on the Fund doctor's report, as noted on Member Services Report (1).

Claudia McInnis (Director of Finance and Administration) presented a review of the Fund's September 30, 2018 Quarterly Consolidated Financial Statements.

Aaron Shapiro, FSA, EA, MAAA, FCA, Principal, Consulting Actuary (Buck Consultants), explained the calculation of Cost of Living Adjustment (COLA) under the provisions of Senate Bill 2190.

Mr. Shapiro discussed the proposed "Risk Sharing Valuation Study" (RSVS), as required under Senate Bill 2190 for the Fund as of July 1, 2018 for fiscal year 2020. He discussed in summary the economic and demographic assumptions used in the study that reflect the requirements of Senate Bill 2190. He noted that, after discussion, if the contribution rates shown by Buck and those of the City's actuary do not fall within a 2% difference, the actual City contribution rate would be established as an average of the contribution rates shown in the actuarial reports of each.

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 85th Texas legislature.

Chief Legal Officer's noted his Quarterly Litigation Report and December 2018 Report.

There being no further business, the meeting adjourned at 10:55 A.M. on a motion by Albertino Al" Mays, seconded by Gerard L. Daniels. The motion carried.

Sincerely,

Francis "Frank" X. Maher
Board Secretary