A special meeting of the Houston Firefighters’ Relief and Retirement Fund (HFRRF) Board of Trustees convened at the Fund offices at 4225 Interwood North Parkway on Tuesday, October 11, 2016 at 1:05 p.m.

Trustees present were David L. Keller, Jr., (Chair), Stephen R. Whitehead (Vice Chair), Francis “Frank” X. Maher (Secretary), Garry W. Blackmon, Sr., Juliet N. Higgins, Arif Rasheed, Albertino “Al” Mays, and Carroll G. Robinson. Trustee Position I 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 1:05 p.m.

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

Retired Fund member Nick Salem gave his opinion on the negotiations with the city of Houston to reduce firefighter benefits, stating he disapproved of the Mayor’s corridor concept that possibly will require benefits to be reduced even further. He then requested an addition of one more retiree representative on the Board of Trustees.

Fund Member Nelson Gonzalez noted his non-support for the rumored elimination of the Cost Of Living Adjustment (COLA), and Deferred Retirement Option Program (DROP). He also stated that he did not support the city of Houston’s application of a thermostat for control of its payments into the plan called the “corridor”.

Fund Member Jeff Ardley commented that the board should consider alternative solutions to reduce the city’s unfunded liability to the firefighter plan such as those recommended by Trustee Carroll G. Robinson, instead of cutting retirement benefits.

Retired Fund member Lance Stahl stated that a promise made is a promise kept, noting his career of 33 years in the Houston Fire Department and his decision to retire grounded in the confidence that the amount of retirement income affirmed would be disbursed to him for a lifetime, without a decline. He noted that he and other firefighters are not able to collect social security.

The Chair introduced Kelly Dowe (Director of Finance and Chief Business Officer), Ron Lewis (City Attorney), and Jennifer Olenick (Deputy Director, Financial Planning & Analysis) from the City of Houston who have been in discussions with the Board and the Mayor concerning benefit modifications to the firefighter plan that would work toward eliminating the plan’s unfunded pension liabilities. Kelly Dowe explained the “corridor” concept, a cost-management component introduced by the Mayor that requires the City’s contributions to the pension plans to remain within a specified “corridor” that functions as a regulator and ceiling should unfavorable market conditions cause the City’s pension cost to rise above a certain point. He then explained that costs that rise above the corridor would require further changes and that the benefit reductions proposed would immediately reduce the City’s unfunded pension liability. He noted that the “corridor” would control costs going forward and that the Mayor intends for all 3 city plans and the City to present a bill to the Texas state legislature that would include the negotiated statutory benefit reductions for each of the plans, as well as the “corridor” concept.

Robert Miller of Locke Lord LLP provided an update on the upcoming Texas legislative session.

The Executive Director discussed the amendment(s) to the fiscal year 2017 operating budget for additional professional services and consulting firm expenses. There was a motion by Garry W. Blackmon, seconded by Carroll G. Robinson, to accept the amendment(s) to the fiscal year 2017 operating budget as presented. The motion carried.
The Board recessed at 2:45 p.m. and reconvened at 2:55 p.m.

Carroll G. Robinson and Garry W. Blackmon, Sr., exited the meeting at 2:45 p.m.

There was a motion by Juliet N. Higgins, seconded by Albertino “Al” Mays, to resume discussion on agenda item #4, “Possible statutory changes and resolution of existing City of Houston lawsuits involving the Fund.” The motion carried.

The Chair announced that the Board was going into closed session pursuant to Government Code Section 551.071 to receive legal advice concerning “Possible statutory changes and resolution of existing City of Houston lawsuits involving the Fund”.

The Board went into closed session at 3:19 p.m.

The Board resumed open session at 3:41 p.m.

There being no further business, the meeting adjourned at 3:44 p.m., on a motion by Albertino “Al” Mays, seconded by Arif Rasheed. The motion carried.

Respectfully submitted,

Francis “Frank” X. Maher
Secretary