



LUFKIN FIREMEN'S RELIEF and RETIREMENT FUND
REGULAR BOARD MEETING MINUTES
 City Hall Council Chambers, Room 102, 2:00 PM Wednesday, December 14, 2016

Present:

Jimmy Ragsdale, Chair
 John Thannisch, Citizen Trustee
 Bill Gates, Vice Chair
 Hilary Walker, Trustee

Absent:

Levi Cole, Sec/Treas
 Keith Wright, Trustee
 Rufus Duncan, Trustee

Guests

J.Morris, FF
 Rodney Ivy, HR Director

CALL TO ORDER At 2:06 PM Chairman Ragsdale called the meeting to order, stating a quorum was present.

1. Consider Approval of Minutes of the Regular Board Meeting held on November 9, 2016

John Thannisch made the motion, seconded by Hilary Walker, to approve the November minutes. Unanimous vote was recorded.

2. 2016 Cash Flow Summary

• Contribution Total YTD:	\$1,705,845
• Benefits Paid YTD:	(\$1,457,739)
• Refund of Contributions:	(\$ 84,266)
• DROP Money Paid Out:	(\$ 602,632)
• Expenses: Training - YTD:	(\$ 5,495)
• Expenses: Management Fees – YTD	(\$ 73,975)
• Expenses: Audit - Paid YTD	(\$ 6,500)
• Expenses: Legal - Paid YTD	(\$ 7,185)
• Expenses: Actuary - Paid YTD	(\$ 2,800)
• Market Value of Fund – As of 12/9/2016 =	\$14,264,637
• LIABILITIES –	
• Liability for One DROP (Payout 2/2017 = \$30,500) - estimate	
• Liability for One DROP (Payout 4/2022) = \$310,4514) - estimate	
• Contributions Balance Report =	(\$ 24,656.18)
• Vested Retirement Report = 2 Firefighters	

→ Tino Villasana Lufkin Fire Department Scholarship Fund – Balance **\$ 7,729** as of 12/9/2016.

Hilary Walker made the motion, seconded by Bill Gates, to approve the Cash Flow report. Unanimous vote was recorded.

OLD BUSINESS

3. Report on Shift Meetings. Possible items to consider for approval: (a) change reverse DROP from 3 years to 6 year; (b) determine whether or not FF can opt out of the DROP and still continue to work and only be eligible for service benefit; (c) reduce the 180 day waiting period for DROP to 45 days or less.

- (a) Chairman Ragsdale explained that the shift meetings attendees wanted to increase the Reverse DROP from 3 years to 6 years. He spoke to our actuary that changing the Reverse DROP from 3 to 6 years would have a slight negative impact in as much as we are not under 25 years of amortization, we could not increase the Reverse DROP to 6 years.
- (b) There has been an understanding about whether or not one could leave the DROP prior to 6 years and continue to work. Consensus of the shifts was that they would like wording in the Plan document to state that one could opt out of the DROP early and continue to work; however, one could not go back into the DROP at a later date. By opting out of the DROP the only retirement option would be the service benefit, at the time the FF decides to retire. FFs were ok with the wording or clarification of the wording regarding working past the 6 years.
- (c) FFs questioned that reason for having to wait 180 days for DROP money, if one leaves the DROP prior to 6 years. Chairman Ragsdale explained that this was due to investment and being able to divest those investments into cash. Shifts asked if that 180 could be reduced.

Bill Gates made a three-fold motion (a) not to change the Reverse DROP to 6 years due to the negative impact; this would not be on the Ballot; (b) allowing FF to opt out of the DROP - prior to 6 years – as a one-time option and continue to work; and (c) reduce the 180 day waiting period for DROP money from 180 days to 90 days. Hilary Walker seconded the motion; a unanimous vote was recorded.

4. Report on Retirement Horizons Inc. (RHI) comments on delaying the Actuarial Valuation for year ending 2016.
Chairman Ragsdale referred to an email from David Sawyer, RHI – which recommended an alternative data process for the upcoming valuation. This alternative would be to supply the census when fully staffed. This is really not feasible.

Bill Gates made the motion, seconded by Hilary Walker to contact other actuaries who deal with other TLFFRA Funds to learn what their thinking is on this alternative data processing. He asked that Ms Russell supply him with names/phone numbers and he would contact them. A unanimous vote was recorded.

Board decided to delay this Valuation until other actuaries are contacted to learn how they would handle a valuation when the membership is not full complement. Ms Russell will provide Mr. Gates with contact information of other actuaries used by other TLFFRA funds. He will report his findings at the January meeting.

5. Update on FF Trustee nomination/election process.
Bill Gates reported that there was on one nominee and that was Levi Cole, who agreed to serve another 3 years term on the Board. By acclamation Levi Cole was elected as a Trustee, beginning January 1 2017.

NEW BUSINESS

6. Discussion and Possible Approval of an Engagement letter from Alexander, Langford & Hiers, Auditors to perform a financial Audit for 2016. Chairman Ragsdale stated that the engagement letter was in their packet under Tab 6. Bill Gates made the motion, seconded by John Thannisch, to approve the engagement letter. A unanimous vote was recorded.
7. Upcoming Meetings/Conferences
 - Lufkin Firemen’s Board Meeting – Wed January 11 2017 – 2PM
 - TEXpers Spring Conference – Sun April 9 – Tues April 11 – Hilton Austin, Legislature is in session
8. Comments: Levi Cole promoted to Lt this month; and Joel Wareing joined the Fire Dept.
9. Adjournment: There being no further business, meeting was adjourned at 2:45 pm.

*Transcribed by,
Diana Russell, Administrator
Approved 1/11/2017 Meeting*