



LUFKIN FIREMEN'S RELIEF & RETIREMENT FUND

Regular Board Meeting *Minutes of February 14, 2018*

City Hall Council Chambers, Room 102, 300 E. Shepherd Street, Lufkin, TX. at 2 PM

Present

Bill Gates
Jimmy Ragsdale
Levi Cole
Hilary Walker
John Thannisch
Keith Wright
Rufus Duncan

Absent

Guests

Bruce Green

1. Call to Order

At 2:05 PM Chairman Gates called the meeting to order, stating a quorum was present.

2. Consider Approval of Minutes of the Regular Board Meeting held on January 10, 2018.

Levi Cole made the motion, seconded by Rufus Duncan, to approve the minutes as presented. Unanimous approval was recorded.

3. 2018 Cash Flow Summary –

- Contribution Total YTD: **\$227,930**
- Benefits Paid YTD: **(\$244,806)**
- Refund of Contributions: **(\$)**
- DROP Money Paid Out: **(\$)**
- Expenses: Training - YTD: **(\$)**
- Expenses: Management Fees – YTD: **(\$27,799)**
- Expenses: Audit - Paid YTD: **(\$)**
- Expenses: Legal - Paid YTD: **(\$)**
- Expenses: Actuary - Paid YTD: **(\$)**

- Market Value of Fund –
 - 01/05/2018 = \$16,542,371**
 - 02/09/2018 = \$16,389,319**
- **LIABILITIES –**
 - Liability for Two DROPs (Payout 4/2022 and 12/2023) = **(\$687,895)** - estimate
 - Vested Retirement = 2 Firefighters

→ Tino Villasana Scholarship Fund, Lufkin Fire Dept. – Balance **\$ 6766.85** as of 02/09/18.

Jimmy Ragsdale made the motion, seconded by Rufus Duncan, to approve the cash flow report was presented. Unanimous approval was recorded.

4. Update on PRB's Issues with 2016 Actuarial Valuation.

Chairman Bill Gates reported that the PRB has been unable to reconcile the differences in actuarial liabilities (2014 valuation vs the 2016 valuation) that resulted from a change in actuarial firms. And PRB is requesting that both Retirement Horizons and Rudd & Wisdom provide 1 or 2 sample lives for the same active participants not participating in DROP as of the 12/31/2014. Rudd and Wisdom is willing to provide the information at no cost and Retirement Horizons will do so for a charge, of several hundred dollars.

Mr. Wright made the motion that Board send a letter to PRB stating that we consider this a major expensive (Retirement Horizons' cost) to the Fund; however, we would be happy to provide the data. After much discussion, Mr. Wright revised his motion to include that we believe that Rule 801.202 (2) is simply a Rule and PRB has not stated there is a "*potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits*" Motion was seconded by Rufus Duncan. Unanimous vote was recorded. Ms Walker stated she would help the Chairman draft the letter and Mr. Green agreed to review.

5. Consider Approval of Increasing Hourly Rate for Part-time Administrator.

Chairman Gates stated that the administrator will be a contract worker and will handle her own taxes and since Westwood does not have a payroll system, Administrator has asked that the hourly rate be \$40/hour. Jimmy Ragsdale made the motion, seconded by Hilary Walker, to approve the \$40 hourly rate for the part-time position of administrator. Unanimous vote was recorded.

6. Consider Request to City to provide office space for Part-time Administrator.

Mr. Wight stated office space would be provided, probably Room 206, in which Channel 15 had been located.

7. Consider Approval to Provide FF's with Lufkin Fire Department Tino Villasana Scholarship Fund Application for 2018.

Jimmy Ragsdale made the motion, seconded by Keith Wright, to provide firefighters with the Scholarship applications which are to be returned by March 29, 2018. Unanimous vote was recorded..

8. Consider Approval of an engagement letter from auditor, Alexander, Lankford & Hiers.

Keith Wright made the motion, seconded by Jimmy Ragsdale, to accept the engagement letter from Alexander, Lankford & Hiers for auditing for the year 2017. Unanimous vote was recorded.

9. Items of Interest: Upcoming Meetings/Conferences/Training/ New FFs

- Lufkin Firemen's Board Meeting – Wed March 14, 2018 – Westwood Reps will be here!
- TEXpers 29th Annual Conference – South Padre Island, April 15-18, 2018
- TLFFRA Peer Review – May 2018
- TEXpers Summer Conference – San Antonio , August 12-14, 2018
- TLFFRA Educational Conference – Temple, September 30-October 2, 2018

10. Adjournment

Approved at the March 14, 2018 meeting

Transcribed by

Diana Russell, Administrator