



## LUFKIN FIREMEN'S RELIEF & RETIREMENT FUND

### Regular Board Meeting Minutes March 14, 2018

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

#### Present

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

#### Absent

Keith Wright

#### Guests

Jon Hammond  
Jesse Pickett  
Amy Lester  
Michelle Neber

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 February 14, 2018.  
Rufus Duncan made the motion, seconded by Levi Cole, to approve the minutes for the February 14 2018 meeting. Unanimous approval was recorded.

3. Westwood Update on Fund Performance

Ms Amy Lester, VP Institutional Sales & Client Service and Ms Michelle Neber, VP Trust & Retirement Services reviewed the executive Summary as of 12/31/2017:

- Investment Style: Enhanced Balanced
- Initial Funding Amount (1/1/2011): \$9,920,415
- Net Flows Since Inception: \$425,920
- Current Market Value: \$16,472,341
- Since Inception Investment Earnings: \$6,126,007
- Since Inception Annualized Gross Return: 7.65%
- Actuarial Assumed Rate of Return: 7.5%

They reviewed the current Asset Allocation, Account Summary (portfolio growth); Asset Allocation – Actual vs Target; Performance Update since inception and Risk Assessment for 2018. The report in its entirety is filed with the minutes and is posted on the website ([www.lufkinfirepension.com](http://www.lufkinfirepension.com))

4. 2018 Cash Flow Summary –

- Contribution Total YTD: **\$375,422**
- Benefits Paid YTD: **(\$247,294)**
- 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: **(\$ 2,100)**

- Market Value of Fund –
  - 03/09/2018 = \$16,618,579
  - 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 \$ 7008.00 as of 03/02/18.

5. Update on PRB's Issues with 2016 Actuarial Valuation and Chairman's Attendance at PRB Meeting.  
 Chairman Gates stated that he attended the PRB Board meeting and they have not accepted our 2016 Actuarial Valuation because the PRB has been unable to reconcile the differences in actuarial liabilities that resulted from a change in actuarial firms. PRB is requesting from our current actuary (Rudd & Wisdom) and from previous actuary Retirement Horizons (RHI) sample lives data. Rudd & Wisdom will supplied the data without charging our Fund; however, RHI will supply the data charging us between \$500-\$700. Board's thinking is that if PRB needs this data they should pay RHI.  
 Mr. Duncan made the motion, seconded by John Thannisch, not to spend any amount to support PRB's request. Unanimous vote was recorded.
6. Review of TLFRA Report – 2018  
 This annual report did not include Lufkin's 2016 Actuarial Valuation because PRB could not reconcile differences. This report provides general and comparative pension-related information on the TLFRA systems, including data on financial, actuarial and benefits.
7. Consider Approval of Independent Contractor agreement between Lufkin Firemen's Relief & Retirement fund and Diana S Russell, independent contractor.  
 Chairman Gates stated this Independent contract between Board and Ms Russell was approved at the February 14, 2018 meeting, increasing the hourly rate and the contract now reflects that change. No further approval needed.
8. Update of Administrator's Office and Office Needs  
 Ms Russell reported that the Administrator's office, second floor, Room 209 was being emptied out and she would need a desk and desk chair. Rufus Duncan stated he had a spare desk and chair in his office complex, and Board was welcome to it. IT is looking at the Fund's laptop to see whether or not it needs any upgrades.
9. Consider Approval of Refund (Rollover) Of Contributions for Will McElroy, who resigned Nov 2016.  
 No approval necessary.
10. Items of Interest: Upcoming Meetings/Conferences/Training/ New FFs
  - Lufkin Firemen's Pension Board Meeting – Wed April 11, 2018
  - TEXpers 29<sup>th</sup> Annual Conference – South Padre Island, April 15-18, 2018
  - TLFRA Peer Review – May 2018
  - TEXpers Summer Conference – San Antonio , August 12-14, 2018
  - TLFRA Educational Conference – Temple, September 30-October 2, 2018
11. Adjournment – At 3:05 pm, there being no further business, meeting was adjourned by motion made by Ms. Walker and seconded by Mr. Ragsdale. Unanimous vote was recorded.

Approved at April 11 2018 Board Meeting