



The City Council convened in **Special** Session in the Bush Convention Center, Midland, Texas, at 1:30 PM, Tuesday, June 18, 2024.

Council Members present: Eric Davidson, Amy Stretcher Burkes, Robin Poole, Lori Blong, Scott Dufford, Jack Ladd, John Norman

Council Members absent: None

Staff members present: City Manager Tommy Gonzalez, City Attorney John Ohnemiller, Deputy City Manager Morris Williams Jr., Managing Director/Fire Chief Charles Blumenauer, Director of Finance Christy Weakland, Administrative Services Director Mark Widmann

The meeting was called to order at 1:30 p.m.

PRESENTATION

1. RECEIVE AND DISCUSS A PRESENTATION FROM BRAD HEINRICH OF FOSTER & FOSTER REGARDING THE ACTUARIAL VALUATION STUDY OF THE FINANCIAL CONDITION OF THE MIDLAND FIREMEN'S RELIEF AND RETIREMENT FUND.

A brief presentation was given by Deputy City Manager Morris Williams on the Pension Review Board (PRB). He reported on the steps that have been taken, issues that have been identified, the infinite amortization period, and the intensive actuary review. The City stands ready to work together in addressing the issues with the Firefighters pension fund and come to a solution to help get things back on track.

Brad Heinrich of Foster and Foster spoke in regards to their assignment which was to verify and validate the boards actuary's calculations. Mr. Heinrich provided information on the all-encompassing education on the pension problem and its magnitude. Mr. Heinrich compared the fire pension benefits to other Texas Local Fire Fighters Retirement Act (TLFFRA) Fire plans across Texas and the rest of the country and generated possible solutions to fix the pension problem.

In conclusion, it is recommended that the City and the members share in the responsibility of fixing this.

PUBLIC HEARING

2. 066-2024 – HOLD A PUBLIC HEARING AND CONSIDER A MOTION ACCEPTING FOSTER & FOSTER'S ACTUARIAL VALUATION STUDY OF THE FINANCIAL CONDITION OF THE MIDLAND FIREMEN'S RELIEF AND RETIREMENT FUND; AND THE CITY COUNCIL MAY CONSIDER A MOTION DIRECTING CITY STAFF ON HOW TO PROCEED ON MATTERS RELATED THERETO.

Mayor Blong opened the Public Hearing at 2:17 p.m.
The following individuals all voiced their concerns.

Landy Adkins, 6016 San Bernard, reports he has been a firefighter for 15 years and that he kept getting told that things will be getting better. He spoke about overtime and staffing shortages.

Justin Graham, 2310 Terrace Avenue, spoke about benefits not being the same and the hiring freeze that created some of the problems. Mr. Graham states that in 2023 overtime could not be added into the actuary. He stated that his argument would be that they are paying under the percentage for the fund.

Brian Cruz, Odessa, stated that he is a Battalion Chief and supervises five stations. He reported that they are humans and not numbers on a spreadsheet.

Eric Stewart, 6812 East County Road 97, reported that he is a Trustee Member and that this problem had been discussed over the last several years.

Drew Peters, 3318 West County Road 185, has worked for the Midland Fire Department for 35 years and retired a couple of years ago. Mr. Peters reports he became a firefighter because of the retirement and found out that the contribution for retirement was less than the Texas Municipal Retirement System (TMRS). Mr. Peters states he was told it was because the firefighter's retirement benefits were better.

Grant Benson, 4904 Fields Place, spoke about the extra benefits that he has had to put into the fund but will more than likely never see it.

Zachary Crabtree, 3909 Pleasant, spoke about him running the Midland Fire Department program and that he has received numerous texts and calls regarding the pension fund.

Mayor Blong asked for more clarity regarding other cities and the TMRS contributions and about pension obligation bonds.

Brad Heinrich reported that that he did not have all the details regarding the TMRS benefits, and only compared the normal costs between the others. Mr. Heinrich stated that he has a lot of clients who borrowed obligation bonds when the interest rates were at

their lowest. Unfortunately, the interest rates are currently very high.

Council Member Ladd asked who decides who is on the fire pensions board and City Manager Tommy Gonzalez stated that it is determined by the state statute. City Attorney John Ohnemiller reported that three seats are elected by the department.

Mayor Blong reported that the statute states that there should be three firefighters, the Mayor, the Chief Financial Officer, and then those five members elect two more members.

Council Member Ladd asked about the average pension benefit retirement and what is the average for the Midland Police Department. He would like to know what is the difference and if people who are already retired get to vote on how it turns out. Mr. Heinrich reported that only active members are able to vote.

Council Member Eric Davidson asked what is the yearly cost of the pension benefits, not the contribution and also asked what the previous bond was, which was \$80 million per City Manager Tommy Gonzalez.

Mayor Blong wants to make sure that this doesn't happen again in the future, she anticipates changes.

Mayor Blong closed the Public Hearing at 3:17 p.m.

All the business at hand having been completed, the meeting adjourned at 3:17 p.m.

PASSED AND APPROVED July 9, 2024.

Lori Blong, Mayor

ATTEST:

Marcia Bentley-German

City Governance Officer/City Secretary