

**Jean Birmingham Council
Chambers, City Hall**
401 South Alamo
Marshall, TX 75671
903-935-4421



Members
Amy Ware, District 4 - Mayor
Risa Jordan-Anderson, District 1
Leo Morris, District 2
Dathaniel Campbell, District 3
Reba Godfrey, District 5
Amanda Abraham, District 6
Micah Fenton, District 7

MINUTES
PLEASE SILENCE ALL DEVICES
SPECIAL-CALLED CITY COUNCIL MEETING
September 11, 2025
5:00 PM

1. Call to Order and Roll Call

Mayor Amy Ware called the Special-Called Work Session meeting to order in the Council Chambers, City Hall at 05:01 PM.

PRESENT:

Mayor and Council Members:

Mayor Amy Ware
Councilmember Leo Morris
Councilmember Reba Godfrey
Councilmember Amanda Abraham
Councilmember Micah Fenton
Councilmember Dathaniel Campbell
Councilmember Risa Jordan-Anderson

ADMINISTRATIVE STAFF PRESENT:

Melissa Vossmer, City Manager	Cliff Carruth, Police Chief
Christol Hall, HR/Civil Service Director	Nikki Smith, City Secretary
Julie Richard, Interim Budget Manager	
Randy Pritchard, Support Services Director	
Marina Garcia-Heredia, Parks & Recreation Director	

2. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The "Citizens Comments" portion of the meeting meets the requirements of this law and is the public's opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

There were no citizen comments.

3. Discussion and Report for City Council Consideration and Direction

A. Overview of Discussions with the Firefighters Relief & Retirement Fund – Proposed FY26 Contributions and Looking to the Future.

Melissa Vossmer, City Manager, provided the proposal from the firefighters, an outline of terms used, aspects of the proposal and stated no decision is expected this evening.

The pension board will meet at 8:30 AM on September 12, 2025.

Brad Heinrichs, Foster & Foster, provided a summary of the assignment given by the City, including scenarios and comments on the firefighter's proposal.

The assignment was to verify the board's calculations, provide an all-encompassing education on the pension problem, compare the benefits to other TLFFRA Fire plans and provide possible solutions. A handout was provided with the comparison of results, which reasonably matched.

Brad Heinrichs provided key terminology and stated a 30-year amortization is normal. The city has a 65-year amortization. Therefore, the Review Board needs to see the plan go to 30 years.

An explanation of the "problem" was provided, indicating the \$625K per year used by the city to pay off debt is not enough to cover the debt because it grows each year. It will take 65 years to pay off debt. In order to get to 30 years, an extra 7% is needed from the City and/or employees, or benefits need to be reduced.

Any benefit earned to date can not be taken away, and the firefighters have to vote to approve any changes to the plan.

Brad Heinrichs provided a benefits analysis, compared pension programs, and provided recommendations that the employer and employee share the responsibility, move away from the fixed contribution rate and have a board calculate the actuarially determined contribution rate each year.

The firefighters proposed a reduction of 1.4% of payroll, increase the final average compensation period from three (3) years to five (5) years, change the J&S benefit to Life Annuity, increase the city contributions by 5.6%, implement an actuarially determined contribution rate, and evaluate that rate annually.

Brad Heinrichs provided his reaction to the proposal, stating he had no comment on the city's finances. The firefighters giving a proposal show some good faith in shouldering some of the load. Any agreement should have safeguards to not get in this position again.

Councilmember Abraham asked who manages the investments, which was said to be Westwood.

Mayor Ware stated the pension board put out RFPs and the FFR&R will go over the proposals received.

Brad Heinrichs suggested hiring an investment consultant to review what Westwood is doing and implement cost sharing with the members to allow contributions to fluctuate.

Councilmember Campbell asked about the \$15 million in debt with a \$3 million budget for payroll and how we got that far behind. It was explained that changes to the timeframe were made and a few bad years for investments can equal a big loss quickly.

Councilmember Abraham stated that council has to consider that if employees get an increase in compensation, the liability will also increase.

Melissa Vossmer stated the FY25 budget recognized that an additional contribution to the plan was needed, and at that point \$250,000 was added for FY2025 contributions. A plan that works for everyone but is sustainable needs to be created.

Councilmember Campbell asked if Brad Heinrichs has the experience of putting together a plan to aggressively increase funds that allows for time, in case the market drops, to have contributions remain.

Brad Heinrichs stated what Councilmember Campbell described was a funding floor, which he has experience with. Brad Heinrichs stated 7% more a year is needed in either more money or fewer benefits before a floor could be created.

Councilmember Abraham asked how the investors are investing or timing the investments and asked for a report with the status of the accounts.

Mayor Ware explained the process of pension fund investments.

Councilmember Campbell stated the fees/costs were not based on performance.

Melissa Vossmer asked the Pension Board for additional information from the last five years and will share that information with Council once it is received.

Councilmember Abraham asked what the investment company has made for the pension board in the last five years.

Councilmember Campbell stated he has already requested a 5-year performance review and stated he doesn't want to see the benefits reduced.

Councilmember Abraham asked if we have to have the pension fund and why the Fire Department is not part of TMRS.

Brad Heinrichs explained a pension versus a 401K or TMRS, stating a pension has a death benefit that can be paid to the spouse, with a 401K only the balance of account is received, and public safety officers have a dangerous job. In regard to a pension versus TMRS, TMRS is through the state system, which means employees don't control the benefits or the contributions.

Councilmember Campbell asked if there is a dollar amount per firefighter, why can we not place a life insurance policy on each member until they retire? Brad Heinrichs stated to do that the firefighter would have to forfeit part of their benefits for life insurance. Councilmember Campbell questioned why firefighters would desire a pension versus life insurance. Brad Heinrichs stated a disability could happen in the

second year on the job; a 401K would give only the balance of the account, where a pension might pay a percentage of salary for the rest of the individual's life.

Councilmember Godfrey asked Brad Heinrichs to explain the option of reducing benefits by 1.4% of payroll. The firefighters provided some options they might consider: lowering benefits by 1.4%, so the City would only need to contribute an additional 5.6% to get to the 7% deficit, the final average pay change from 62.5% for a 3-year average salary to a 5-year average salary, and Joint & Survivor being eliminated, which would make the value for married or single to be the same.

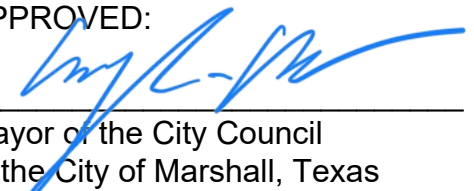
Councilmember Morris stated the DROP plan was mentioned earlier and asked how it is funded, which is a provision of the plan that allows a firefighter to enter the DROP plan at 53 years of age with 20 years of service. The benefit is then calculated to allow the firefighter to keep working for 3 years, then the firefighter gets a lump sum plus 16% member contributions. The DROP plan is funded by the city and employees.

Mayor Ware provided a couple of housekeeping items to include a break for council members before the regular meeting and asked anyone in chambers who would like to speak during the regular meeting to fill out the public comment cards.

4. Adjournment

Councilmember Abraham made a motion to adjourn. Councilmember Godfrey seconded the motion, which passed by a vote of 7:0.

APPROVED:



Mayor of the City Council
of the City of Marshall, Texas

ATTEST:



City Secretary