



# Spring 2023

## Houston Firefighters' Relief and Retirement Fund

A PUBLICATION FOR  
**MEMBERS AND  
BENEFICIARIES**

OF THE HOUSTON FIREFIGHTERS'  
RELIEF AND RETIREMENT FUND



**Brett Besselman**  
*Chairman of the Board*

### MESSAGE FROM THE CHAIRMAN

Dear Fund Members,

Serving on the HFRRF board is an opportunity for trustees to make a difference in the lives of Houston firefighters and their families and we take that seriously. Our mission to "provide a secure retirement benefit plan for our members" resonates deeply with all of us.

We fought long and hard against SB 2190 taking our legal battle all the way to the Texas Supreme Court. Unfortunately, on March 10<sup>th</sup>, the Supreme Court denied our petition for review. That marks the end of the road for this lawsuit, but our efforts to protect and strengthen your benefits will continue in other directions.

One effective strategy is through government relations - building relationships/friendships with our legislators. We have been busy in Austin, visiting the legislators, educating those recently elected, and identifying potential legislative champions who support our position. In fact, we are already seeing results. The HFRRF team is collaborating with our allies on HB 3340 which would create a 20-year DROP for all HFRRF members at no cost to the City. We have bipartisan support for HB 3340 and are hopeful this bill will make it to the governor's desk. It's a step in the right direction.

There are numerous other restoration battles that we will be waging in the coming years. My promise is that we will continue to stand up for our members, to restore and build pension security, for as long as it takes. You earned it and deserve nothing less.

Sincerely,

Brett Besselman  
Chairman of the Board  
Houston Firefighters' Relief and Retirement Fund



# Board News

## Trustees Oath of Office

Recently elected or appointed trustees are required to take an oath of office to administer the affairs of the Fund diligently and honestly and not knowingly violate or willingly permit Article 6243e.2(1) to be violated.

At the January board meeting, Chairman Brett Besselman administered the oath of office to Gerard Daniels and Al Mays. Mr. Daniels has been on the board since 2018 as Trustee Position V and was re-elected to serve another 3-year term. Mr. Mays originally served as city treasurer from 1997 to 2003 and has been a Citizen Member Trustee since 2004. He was re-appointed for another 2-year term. David Riegor took the oath of office at the February board meeting. Mr. Riegor has held Trustee Position II since 2020 and was re-elected for another 3-year term.



Brett Besselman      Al Mays      Gerard Daniels  
*Chairman*      *Citizen Member*      *Position V*



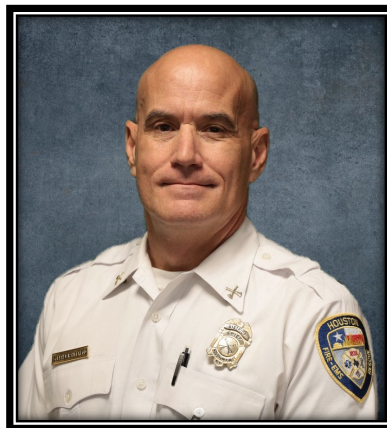
Brett Besselman      David Riegor  
*Chairman*      *Position II*

## Board Officers

The Board demonstrated confidence in the 2022 officers re-electing them for another year.



**Brett Besselman**  
**Chairman**  
*Active - Position I*



**Stephen Whitehead**  
**Vice Chairman**  
*Active - Position III*



**Lisa Slagle**  
**Secretary**  
*Citizen Member*

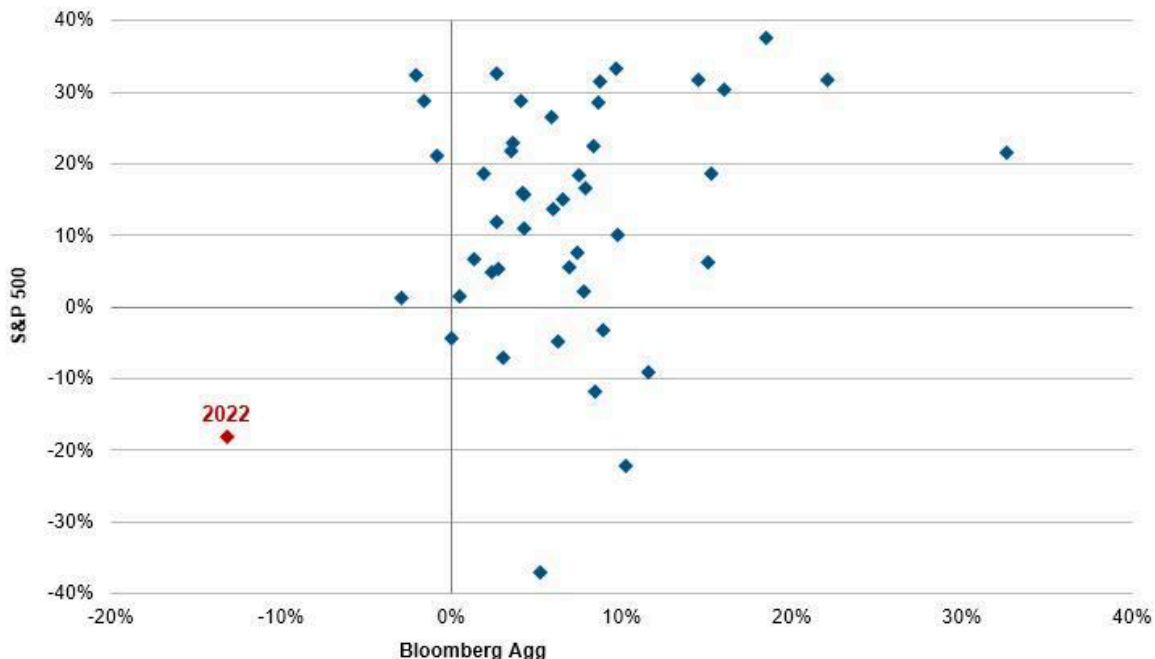
Board agendas and minutes are posted on the HFRRF website [www.hfrrf.org](http://www.hfrrf.org)

## Investment News

Primary long-term goals of the Fund are reflected in the HFRRF Investment Policy. Namely, earn an investment return over a rolling ten-year period at least equal to the 7.25% net of investment management fees and generate an aggregate return in excess of the Fund's Policy Benchmark over a ten-year period. Prudent and conservative management of the Fund is meeting and exceeding these primary investment objectives. As of December 2022, over 10 years, the net of fee return of the Fund is 7.6%, exceeding the policy benchmark by 1.1%. The Fund is surpassing investment goals despite a most unusual year of 2022, when diversification across different asset classes broke down. Such diversification collapse has not been seen since 1977.

Modern portfolio theory suggests that bonds and equities should be diversifying assets. The following graph illustrates the power of diversification since 1977. Blue dots ♦ show how bonds and equities diversify each other and protect against excessive volatility. As you can see, **2022** ♦ was an exception where bonds and equities both went down.

Annual returns since 1977



Source: Bloomberg, as of 12/31/22

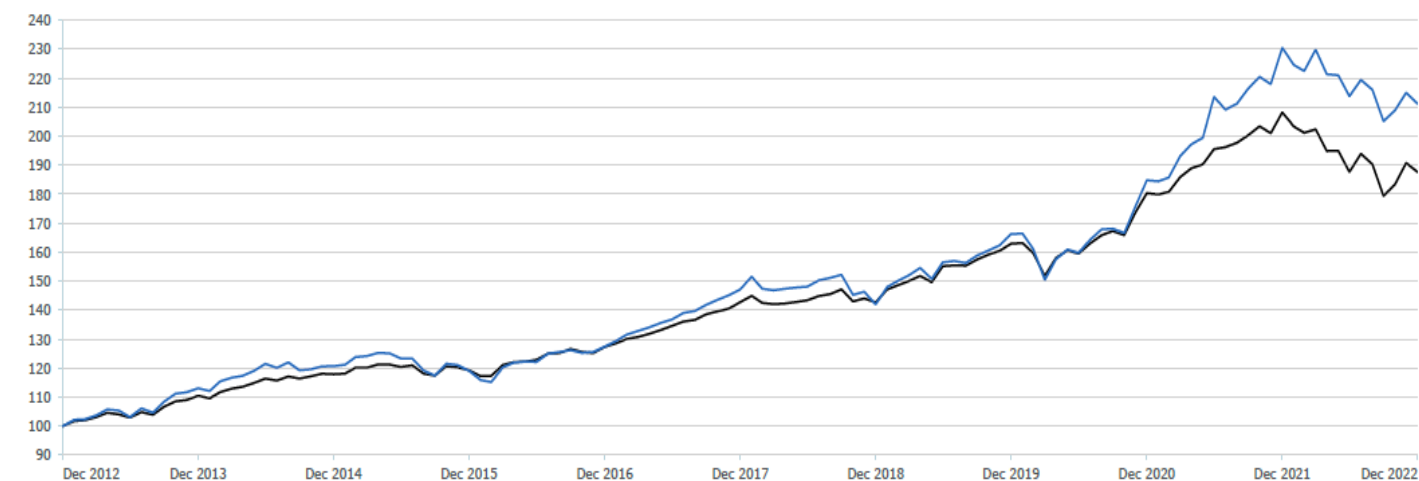
Over the long term, the Fund compares well with its peers. In the cohort of approximately 40 public pension plans with over five billion in assets, the Fund ranked in the first quartile over five years and upper second quartile over seven years.

The Fund actuary conducts a comprehensive asset liability study every four years to ensure the Fund remains solvent over the long term and determines the best asset mix (also referred to as the policy benchmark) to meet the solvency objective. Active management of the Fund has delivered additional value over the adopted policy benchmark.

## Investment News *continued*

The graph below shows that 100 dollars invested 10 years ago, indexed to the Policy Benchmark, would have grown by 87.6%. Active and tactical management of the Fund, however, added more value and the 100 dollars invested 10 years ago grew by 111%.

January 2013 - December 2022



|                               | RETURN | CUMULATIVE RETURN |
|-------------------------------|--------|-------------------|
| ■ HFRRF Total Portfolio Gross | 7.76   | 111.16            |
| ■ Policy Benchmark            | 6.49   | 87.59             |

Anticipating that the near zero interest rate environment and near zero inflation could not continue forever, the HFRRF team has been preparing the portfolio for a rising rate environment. For the last several years, the Fund increased geographic diversification, particularly to Europe and Asia. The Fund also boosted exposure to private investments in order to exploit an expanded toolkit for a highly uncertain environment. While we sensed a change was coming, we did not know what would trigger the shift. No one could have predicted a global pandemic, global rolling lockdowns, supply chain shocks, and geopolitical conflicts.

The post-pandemic world brings an investment environment not seen for decades. It is characterized by higher inflation, higher interest rates, frequent geopolitical conflicts, and increased emphasis on resilience rather than efficiency in global supply chains. Investment strategies must adjust for a more deglobalized world and frequent geopolitical shocks. The HFRRF investment team has improved our geographical diversification and increased private investments to harvest market inefficiencies. The Fund is well positioned to navigate market uncertainties, though in near term, as the investment regime is still finding its footing, some volatility may persist. Strong returns from previous years will provide some cushion to ride out such uncertainties. When the new website is launched, visit the Investments page regularly for the latest updates.

# RETIREE CHRISTMAS LUNCHEON

December 1, 2022



Photography by  
Joe Gimenez



# IN MEMORY

*Our condolences and heartfelt sympathies are extended to families of our members who recently passed away.*

| DATE       | RETIRED MEMBERS    | HFD SERVICE |
|------------|--------------------|-------------|
| 11/7/2022  | David Harrison     | 1961 - 1981 |
| 11/11/2022 | Richard Scott      | 1972 - 1983 |
| 11/12/2022 | Jerry Ledford      | 1978 - 2007 |
| 11/23/2022 | Fred Gallard       | 1960 - 1980 |
| 11/24/2022 | Edward Cash        | 1972 - 2005 |
| 12/3/2022  | Eddie Meschwitz    | 1955 - 2005 |
| 12/6/2022  | Travis Tidwell     | 1971 - 1992 |
| 12/12/2022 | Weldon Umlang      | 1966 - 2000 |
| 12/18/2022 | Al Young           | 1962 - 1992 |
| 12/24/2022 | Leonard Higgins    | 1966 - 2005 |
| 12/26/2022 | Daniel Collins     | 1969 - 1986 |
| 12/27/2022 | George Hoot        | 1967 - 1987 |
| 1/5/2023   | James Hooper       | 1979 - 2008 |
| 1/11/2023  | James Crowder      | 1991 - 2008 |
| 1/12/2023  | Dennis Duckett     | 1968 - 2006 |
| 1/23/2023  | Oliver Lewis       | 1959 - 1979 |
| 1/25/2023  | Herman Atchison    | 1961 - 1991 |
| 2/3/2023   | Arnett Jones       | 1978 - 2005 |
| 2/7/2023   | Gary Morgan        | 1971 - 1981 |
| 2/19/2023  | Willis Moore       | 1975 - 2009 |
| 3/1/2023   | Chris Michels      | 1979 - 2011 |
| 3/1/2023   | Michael Daigle     | 1982 - 2009 |
| 3/6/2023   | Frank Ratka        | 1973 - 2004 |
| 3/19/2023  | Ronald Freytag     | 1963 - 1988 |
| 3/19/2023  | William Koenig, Jr | 1959 - 1989 |



| DATE       | ACTIVE MEMBERS | HFD SERVICE |
|------------|----------------|-------------|
| 12/21/2022 | Glenn Barber   | 2008 - 2022 |

| DATE       | BENEFICIARIES     |
|------------|-------------------|
| 12/11/2022 | Arlene Hanks      |
| 12/24/2022 | Jeannie Ivy       |
| 1/10/2023  | Velma Gortemiller |
| 1/10/2023  | Laura Galatian    |
| 2/9/2023   | Mary Nell Weaver  |
| 2/23/2023  | Peggy Nowlin      |
| 2/25/2023  | Natalie Snider    |
| 3/2/2023   | Paula Granberry   |



*Gone, but not forgotten*

# Member Services News

## Have you moved?

It is important to keep your contact information up to date. Occasionally, HFRRF mails correspondence to members including \$3,000 exclusion letters, 1099Rs, Redline summer edition, and retiree Christmas luncheon invitations. To ensure you receive these, please follow the steps below to verify your contact information and make changes, if necessary.

### Active Members

1. Go to [HROneConnect.houstontx.gov](http://HROneConnect.houstontx.gov)
2. Log in and go to My Profile
3. In the Personal Information menu, select Personal Information, Contact & Address
4. Choose the pencil icon to make updates

### Retirees and Survivors

You have several options to authorize the Fund to update your address

- Log into [MemberDirect](#). Go to My account>Benefit information>Personal information
- Send your new address to [memberservices@hfrrf.org](mailto:memberservices@hfrrf.org) using the email used to create your [MemberDirect](#) account
- Complete a Change of Address form
  - Available on the website [www.hfrrf.org](http://www.hfrrf.org)
  - Request a form by calling 281-372-5100 or emailing [memberservices@hfrrf.org](mailto:memberservices@hfrrf.org)  
Member services can mail or email the form to you
  - In person - fill out the form at the pension office

## Did you get a new phone number?

### All Members

1. Log into [MemberDirect](#)
2. Go to: My account>Benefit information>Personal information

## Forgot your login for [MemberDirect](#)?

Call Member Services at 281-372-5100

## Need additional assistance?

Member Services staff are available during regular business hours, Monday – Friday, 7:30am – 4:00pm at 281-372-5100, 800-666-9737, and [memberservices@hfrrf.org](mailto:memberservices@hfrrf.org)

## ASK MEMBER SERVICES

**Q: Can I get a copy of my 1099R online?**

**A: Yes.** Your 1099R can be found by logging in to your [MemberDirect](#) account. Once logged in, go to **My Account** and from your Benefit Summary, choose Correspondence (under Communications.)

**Note: April 18, 2023 is the deadline to file individual & business 2022 tax returns.**

**Q: Why has my medical/dental/vision premium changed? I would like to cancel my insurance.**

**A:** Any medical coverage or premium questions can be addressed by contacting the City of Houston 832-393-6000 or the Union 713-223-9166 depending on who your coverage is through.

**Q: How do I submit an online DROP/PROP withdrawal?**

**A:** Once you log in to your [MemberDirect](#) account, go to **My Account**, then choose Forms in the benefit summary menu.

**Q: Do I need an appointment to come in to do a DROP/PROP withdrawal?**

**A:** No, an appointment is not necessary to do a withdrawal. Withdrawals of up to \$50,000 can also be done online via your **MemberDirect** account.

**Q: What age am I required to withdraw money from my DROP/PROP?**

**A:** Beginning in 2023, the SECURE 2.0 Act of 2022 changed the RMD age from 72 to 73.

**Q: Why can't my spouse talk to you about my account?**

**A:** Unless your spouse is listed as your Power of Attorney (POA) and there is a POA form on file with the Fund, we cannot give your account information to them.

**Q: I want to update my beneficiaries. What do I need to do?**

**A:** Contact a Member Services representative to review your file and they will direct you to the appropriate forms to update.

If you need additional assistance, please contact a Member Services representative at 281-372-5100, 800-666-9737, or [memberservices@hfrf.org](mailto:memberservices@hfrf.org)



# Identity Theft Prevention

## Protect Yourself from Social Engineering Attacks

Cybercriminals prey on your emotions to deceive and manipulate. They establish trust long enough to get confidential information or access to your accounts. You may receive an email, text, or phone call from, what appears to be, a company or person you know. Attackers steal sensitive material or install harmful software on your phone or computer by pretending to be a legitimate person. It may be a single communication or a series of social media chats over weeks or months. These crooks even use voice cloning to trick victims into believing a loved one is in trouble and needs cash quickly.



This is how hackers hack you using simple social engineering

Attackers use confidence and persuasion to mislead you into doing something you normally would not do. Watch the [video](#) above to see how quickly a hacker gets complete access to a cell phone account from the cell phone company!

### Be careful and protect yourself

- Think! Never share personal information. Remember, your bank and credit card company know your information and will confirm your identity with security questions before allowing you to make account changes.
- Slow down and stop! If you are being pressured or rushed, say NO, you have to go and hang up.
- If it sounds suspicious or doesn't feel right, trust your instinct and contact the person or company directly for verification.



Watch this hacker break into a company

In the [video](#) above, a hacker pretending to be an employee gains access to a company's network. Scammers create fraudulent links that open the door for the cyber villain to access to your cell phone or computer. Once in your device, they can steal confidential information in your files and monitor your activity. Fake hyperlinks and bogus websites often appear in online searches and in emails. Sometimes the links are disguised as prompts in an email asking you to follow up, but as soon as you click on it, the hacker is in your device.

### Protect your accounts and electronic devices

- Look for typos and hover your cursor over a link to see the address which is often different. Never click on links in emails or messages. Manually type the URL in the address bar.
- Create strong, unique passwords and don't use the same password on multiple accounts.
- Change passwords often and use a password manager to safely store and remember them.
- Keep all software updated.
- Install anti-malware and anti-virus software.
- Use two-factor or multi-factor authentication whenever possible.

Cybersecurity is a priority at HFRRF. All staff are required to take Texas Certified Cybersecurity Awareness Training every year. When we ask questions to verify your identity, it is to protect you and your account.

# Health and Wellness

## Effects of financial stress

To achieve wellness, we must look at physical, mental, and lifestyle well-being. One's lifestyle, especially when it comes to financial wellness, is often overlooked. However, the American Psychological Association (2022) Stress in America survey reports that 64% of Americans ranked finances as a very or somewhat significant source of stress. Research also confirms that severe financial stress can have negative effects on your mental health (depression/anxiety) and potentially even your physical health (heart and immune system.)

## Tips to reduce financial stress

- 1. Understand the debt cycle** - The first step is understanding how debt works. When you repeatedly take on more debt than you can repay e.g., continually borrowing money or using credit cards, the added interest will cause your debt to grow faster. No matter the reason for borrowing, it is important to review the situation realistically and take action. One strategy to get a handle on your budget is to calculate your [debt to income ratio](#), [credit card minimum payments](#), and time frame to [pay off your credit card](#).
- 2. Make small changes** - Once a month, host a potluck dinner party rather than eating out. Opt for a summer staycation this year. Pay off your smallest debt first then add that payment to the highest interest credit card. These will save you money in the long-term.
- 3. Practice simple stress management techniques** - When under stress, our brain's limbic system goes into flight, fight, or freeze mode. One way to combat stress and maintain health is to immediately engage the brain's prefrontal cortex which will increase feelings of well-being and reduce anxiety. Try these three simple techniques:
  - Take three large, deep breaths and release slowly. The new oxygen molecules will rush to your brain and crowd-out the stress chemicals.
  - Count how many doors and windows you have in your home or identify objects in your environment. This releases the brain from flight-fight-freeze to problem solving.
  - Name your current feelings. When you put a name to an emotion and say it out loud, you will activate the prefrontal cortex.

When you understand the causes of financial stress, that awareness improves your ability to choose your response to life events, helping you regain control and maintain your health and wellness.

If you have a suggestion for health and wellness topics, contact Kristi at 281-372-5100.

*Kristi Marx, LCSW*

Member Relations and Special Services Manager



# Retiree BBQ

May 4, 2023  
11am – 1pm



# Retiree Coffee

September 21, 2023  
10am – 12pm

Mark your calendar: HFRRF Retiree luncheons are 1<sup>st</sup> Thursday in May and 1<sup>st</sup> Thursday in December

Above retiree events will be held at HFRRF in the Greer & Lowdermilk Conference Center

Watch your email for invitations

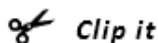
Please **RSVP** at the bottom of your email invitation



# HFD Annual Memorial Ceremony

October 21, 2023  
11am – 1pm

The memorial ceremony will be held in the HFRRF Memorial Garden followed by a reception in the conference center



## Key Dates

| March '23 |    |      |    |    |    |    |
|-----------|----|------|----|----|----|----|
| Su        | M  | Tu   | W  | Th | F  | S  |
|           |    |      | 1  | 2  | 3  | 4  |
| 5         | 6  | 7    | 8  | 9  | 10 | 11 |
| 12        | 13 | 14   | 15 | 16 | 17 | 18 |
| 19        | 20 | (21) | 22 | 23 | 24 | 25 |
| 26        | 27 | 28   | 29 | 30 | 31 |    |

| April '23 |    |      |    |    |    |    |
|-----------|----|------|----|----|----|----|
| Su        | M  | Tu   | W  | Th | F  | S  |
|           |    |      |    |    |    | 1  |
| 2         | 3  | 4    | 5  | 6  | 7  | 8  |
| 9         | 10 | 11   | 12 | 13 | 14 | 15 |
| 16        | 17 | (18) | 19 | 20 | 21 | 22 |
| 23        | 24 | 25   | 26 | 27 | 28 | 29 |
| 30        |    |      |    |    |    |    |

| May '23 |    |      |    |    |    |    |
|---------|----|------|----|----|----|----|
| Su      | M  | Tu   | W  | Th | F  | S  |
|         | 1  | 2    | 3  | 4  | 5  | 6  |
| 7       | 8  | 9    | 10 | 11 | 12 | 13 |
| 14      | 15 | (16) | 17 | 18 | 19 | 20 |
| 21      | 22 | 23   | 24 | 25 | 26 | 27 |
| 28      | 29 | 30   | 31 |    |    |    |

| June '23 |    |      |    |    |    |    |
|----------|----|------|----|----|----|----|
| Su       | M  | Tu   | W  | Th | F  | S  |
|          |    |      |    | 1  | 2  | 3  |
| 4        | 5  | 6    | 7  | 8  | 9  | 10 |
| 11       | 12 | 13   | 14 | 15 | 16 | 17 |
| 18       | 19 | (20) | 21 | 22 | 23 | 24 |
| 25       | 26 | 27   | 28 | 29 | 30 |    |

| July '23 |    |      |    |    |    |    |
|----------|----|------|----|----|----|----|
| Su       | M  | Tu   | W  | Th | F  | S  |
|          |    |      |    |    |    | 1  |
| 2        | 3  | 4    | 5  | 6  | 7  | 8  |
| 9        | 10 | 11   | 12 | 13 | 14 | 15 |
| 16       | 17 | (18) | 19 | 20 | 21 | 22 |
| 23       | 24 | 25   | 26 | 27 | 28 | 29 |
| 30       | 31 |      |    |    |    |    |

| August '23 |    |      |    |    |    |    |
|------------|----|------|----|----|----|----|
| Su         | M  | Tu   | W  | Th | F  | S  |
|            |    | 1    | 2  | 3  | 4  | 5  |
| 6          | 7  | 8    | 9  | 10 | 11 | 12 |
| 13         | 14 | (15) | 16 | 17 | 18 | 19 |
| 20         | 21 | 22   | 23 | 24 | 25 | 26 |
| 27         | 28 | 29   | 30 | 31 |    |    |

| September '23 |    |      |    |    |    |    |
|---------------|----|------|----|----|----|----|
| Su            | M  | Tu   | W  | Th | F  | S  |
|               |    |      |    |    | 1  | 2  |
| 3             | 4  | 5    | 6  | 7  | 8  | 9  |
| 10            | 11 | 12   | 13 | 14 | 15 | 16 |
| 17            | 18 | (19) | 20 | 21 | 22 | 23 |
| 24            | 25 | 26   | 27 | 28 | 29 | 30 |

| October '23 |    |      |    |    |    |    |
|-------------|----|------|----|----|----|----|
| Su          | M  | Tu   | W  | Th | F  | S  |
| 1           | 2  | 3    | 4  | 5  | 6  | 7  |
| 8           | 9  | 10   | 11 | 12 | 13 | 14 |
| 15          | 16 | (17) | 18 | 19 | 20 | 21 |
| 22          | 23 | 24   | 25 | 26 | 27 | 28 |
| 29          | 30 | 31   |    |    |    |    |

**HFRRF Board and Committee Meetings**  
3<sup>rd</sup> Tuesday of every month except December

### Office Holidays

- May 29                      Memorial Day
- July 4                        Independence Day
- September 4              Labor Day
- October 9                  Columbus Day

### Office Noon Closures

- April 7
- May 26
- September 1
- October 6

## HFRRF Office News

**Regular business hours are Monday – Friday 7:30am – 4:00pm.** Administrative staff and member services representatives are available by phone, email, in person, and for virtual appointments during business hours.

**After hours,** a wide range of self-service options are accessible online 24/7 in [MemberDirect](#). If you need to bring in paperwork after hours, please put your HFRRF documents in the gray **DROP OFF BOX** on the covered front porch located next to the bulletin board.



Every person on the HFRRF team plays an important role in the successful operation of the Fund. We proudly spotlight the achievements of our dedicated staff in every Redline.

**Please join us in recognizing Rosie Torres for reaching a major milestone at HFRRF:**



**Rosie Torres**

*Investment Operations Analyst I*

Celebrating 25 years in April



*Congratulations Rosie!*

**Do you have a special celebration coming up?** HFRRF has the perfect solution for you...



### **Greer & Lowdermilk Conference Center**

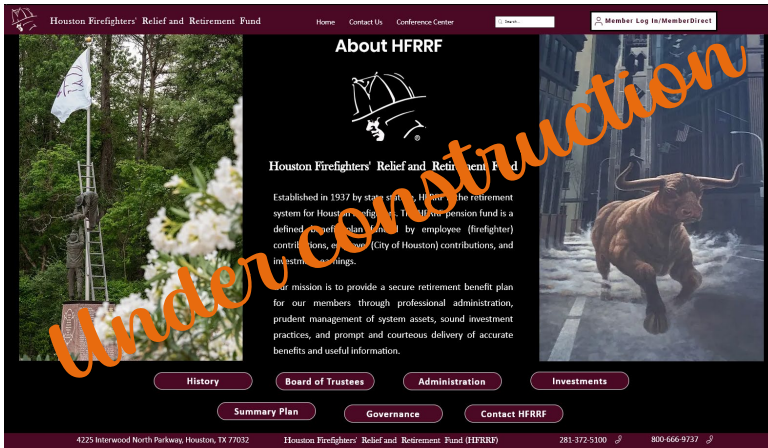
This is a great venue for weddings, birthdays, reunions, retirement parties, and more! Our professional event staff will guide you through the entire process. We help you determine what you want, what you really need, and how to get it within your budget. Plus, **members receive a 35% discount** on the rental rate for events honoring themselves or an immediate family member. Let us help you plan the perfect event with memories for a lifetime!

For more information, please visit [www.hfrrf.org](http://www.hfrrf.org), email [cc@hfrrf.org](mailto:cc@hfrrf.org), or call 281-372-5124

# Website Update

The new and improved HFRRF website is nearing completion. Created and personalized with our members in mind, it is designed to be user-friendly, easy to read, and simple to navigate so you can quickly find what you need. No need to log in unless you need confidential information in your [MemberDirect](#) account.

We will announce the launch date soon, but for now, we are proud to share a sneak peek at our website's new, updated look...



Large text

Easy to navigate

Big buttons link to more information

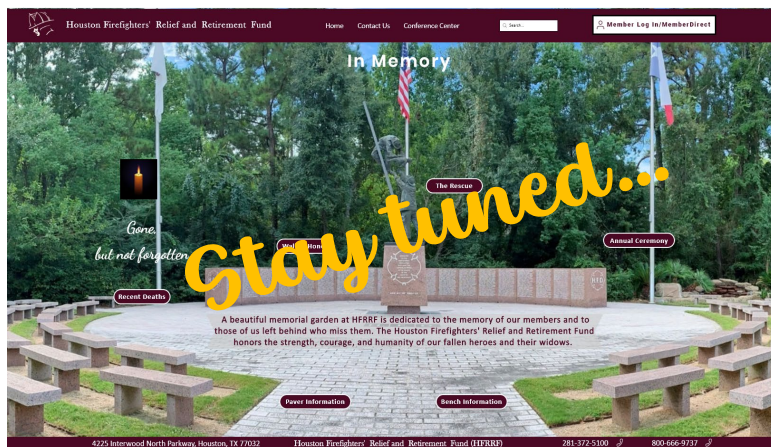
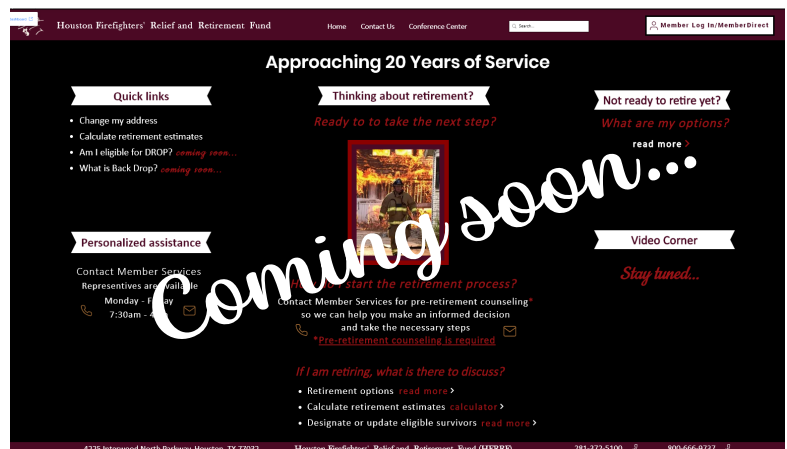
Header and footer on every page

No scrolling

A new calendar features member events, board/committee meetings, holidays, etc

20 pages of new and improved material  
Member content is divided into stages

- Early career
- Mid career
- Approaching 20 years of service
- Retired
- Beneficiary



After launch, content will be updated regularly so please visit the website often for the latest announcements, upcoming events, new content, and recent photos.

Your feedback is very important! We want to know what information is important to you so it can be included in future newsletters and website updates:

[Feedback](#)

# HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

*HFRRF's mission is to provide a secure retirement benefit plan for our members through professional administration, prudent management of system assets, sound investment practices, and prompt, courteous delivery of accurate benefits and useful information.*

## **HFRRF Board of Trustees**

|                   |                         |
|-------------------|-------------------------|
| Brett Besselman   | Chairman                |
| Stephen Whitehead | Vice Chairman           |
| Lisa Slagle       | Secretary               |
| Gerard Daniels    | Active Member           |
| Pete Ng           | Active Member           |
| David Riegor      | Active Member           |
| David Lantrip     | Retired Member          |
| Al Mays           | Citizen Member          |
| Arif Rasheed      | City Treasurer Designee |
| Earnest Wotring   | Mayor's Representative  |

## **HFRRF Executive Director**

Tim Schauer

4225 Interwood North Parkway, Houston, TX 77032

281-372-5100 800-666-9737

[www.hfrrf.org](http://www.hfrrf.org)

