



AGENDA

LUCAS Volunteer Firefighter Pension Board

March 23, 2015 6:00 PM

City Hall - 665 Country Club Road – Lucas, Texas 75002-7651

Notice is hereby given that a City of Lucas - Local Volunteer Pension Board Meeting will be held on Monday, March 23, 2015 at 6:00 pm at the Lucas City Hall, 665 Country Club Road, Lucas, Texas at which time the following agenda will be discussed.

Call to Order

Roll Call.

Determination of Quorum.

Reminder to turn off or silence cell phones.

Citizens' Input

The Citizens' Input portion of the agenda is an opportunity for the public to address the LUCAS Volunteer Firefighter Pension Board on any subject. However, in accordance with the Texas Open Meetings Act, the Local Board cannot discuss issues raised or make any decisions at this time but may refer items to City Staff for research and possible inclusion on a future agenda.

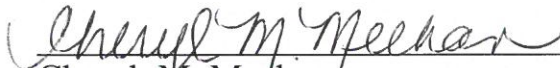
1. Citizens' Input.

Regular Agenda

2. Review and approve minutes of the Texas Emergency Services Retirement System (TESRS) Board meeting February 09, 2015.
3. Discuss and consider proposals from VFIS of Texas/Regnier & Associates, defining and cost of Length of Service Award Program (LOSAP) prepared by Glatfelter Specialty Benefits designed for the Lucas Fire Department.
4. Adjournment.

Certification

I hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall and on the City's website at www.lucastexas.us by 5:00 p.m. on Friday, March 20, 2015.


Cheryl M. Meehan
HR Manager, Staff Liaison

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall.

Requests for accommodations or interpretive services should be directed to Jennifer Clark at 972-727-8999 or by email at jennifer@lucastexas.us at least 48 hours prior to the meeting.



**City of Lucas
Lucas Volunteer Firefighter
Pension Board
Meeting Date: March 23, 2015**

Name & Title of Requestor: Cheryl M. Meehan, HR Manager

Agenda Item:

Citizen's Input

Background Information:

N/A

Attachments/Supporting Documentation:

N/A

Budget/Financial Impact:

None.

Action:

None.



City of Lucas
Lucas - Volunteer Firefighter
Pension Board
Meeting Date: March 23, 2015

Name & Title of Requestor: Cheryl M. Meehan, HR Manager

Agenda Item:

Review and approve minutes from the February 9, 2015 Lucas – Volunteer Firefighter Pension Board Meeting.

Background Information:

N/A

Attachments/Supporting Documentation:

Minutes from the February 9, 2015 Lucas – Volunteer Firefighter Pension Board Meeting.

Budget/Financial Impact:

None.

Action:

Motion to accept the February 9, 2015 Lucas – Volunteer Firefighter Pension Board Meeting as presented.



PUBLIC NOTICE
LUCAS Volunteer Firefighter Pension Board
February 9, 2015 6:00 PM
City Hall - 665 Country Club Road
Minutes

Call to Order

Chairman Larry Bowman called the meeting to order at 6:01 p.m.

Present/Absent

Chairman Larry Bowman	Trustee David Leonard
Trustee Gerald Reining	Trustee Gary Johnson (Absent)
Trustee Jamie Fitzpatrick	Trustee Wayne Millsap

Staff:

City Manager Joni Clarke	HR Manager Cheryl Meehan
--------------------------	--------------------------

It was determined that a Quorum was present.

Citizens' Input

The Citizens' Input portion of the agenda is an opportunity for the public to address the LUCAS - Local Fire Department Volunteer Pension Board on any subject. However, in accordance with the Texas Open Meetings Act, the Local Board cannot discuss issues raised or make any decisions at this time but may refer items to City Staff for research and possible inclusion on a future agenda.

1. Citizens' Input. No Citizens requested to comment.

Regular Agenda

2. Review and approve minutes of the Texas Emergency Services Retirement System (TESRS) Board meeting November 24, 2014. Motion to accept the minutes by Trustee Millsap, seconded by Trustee Leonard. Motion passed unanimously.
3. Consider a presentation by Ms. Barbara Marzean, CIC, President, VFIS of Texas/Regnier & Associates, who will presenting a Length of Service Award Program (LOSAP) prepared by Glatfelter Specialty Benefits designed for the Lucas Fire Department.

The Board discussed all criteria presented. It was determined that this plan was better than existing plan. Motion was made by Trustee Millsap to combine this

item and item # 4 together, seconded by Trustee Reining. Motion carried unanimously.

4. Define the requirements of the Length of Service Award Program (LOSAP) Pension for the Lucas Fire Department Volunteer.

The Pension Board decided on the following:

- Defined Benefit plan with a payment date being when the volunteer turns 65 years of age, as long as they have discontinued service with the City.
- Maximum benefit payment will be 20 years of service.
- The pension will be preloaded with up to 5 years of service, so that the volunteers having 3 or more years of service will already have a vested benefit.
- Vesting will be at 60% at completion of year 3, with an additional 20% of vesting on completion of year 4 and finally, 100% vested at completion of year 5.
- The Board requested that VFIS provide three quotes for cost comparisons. The three quotes are based on the benefit for years of service. They requested per year benefit of \$12, \$15 and \$18 to go along with the \$10 rate that was already calculated.

Motion was made by Trustee Millsap to accept the above listed criteria and revisit when the new quotes are received. Motion seconded by Trustee Leonard, motion carried unanimously.

5. Adjournment. Motion to adjourn the meeting at 7:32 by Chairman Bowman, seconded by Trustee Millsap, the motion. Motion carried unanimously.

These minutes were approved by a majority vote of the Local Lucas Pension Board on March 23, 2015.

Presiding Trustee Larry Bowman

ATTEST:

Cheryl M. Meehan
HR Manager, Staff Liaison



City of Lucas
Lucas Volunteer Firefighter Pension
Board
Meeting Date: March 23, 2015

Name & Title of Requestor: Cheryl M. Meehan, HR Manager

Agenda Item:

Discuss and Consider proposals from Volunteer Firemen's Insurance Services, Inc. (VFIS of Texas) of three Length of Service Award Program (LOSAP) prepared by Glatfelter Specialty Benefits, designed for the Lucas Fire Department.

Background Information:

As the February 9, 2015 meeting, we requested that Volunteer Firemen's Insurance Services, Inc. (VFIS of Texas) return with 3 proposals with differing benefit rates for comparison and presentation to City Council for Approval. The plan will be administered by VFIS of Texas for the benefit for our volunteer firefighters.

Attachments/Supporting Documentation:

- ❖ Presentations from Glatfelter Specialty Benefits, Length of Service Award Programs designed for the Lucas Fire Department.
 - LOSAP – Retirement Benefit monthly payment of \$10 per year of for maximum of 20 years of service or \$200.00. Illustration # 5.
 - LOSAP – Retirement Benefit monthly payment of \$12 per year of for maximum of 20 years of service or \$240.00. Illustration # 6.
 - LOSAP – Retirement Benefit monthly payment of \$15 per year of for maximum of 20 years of service or \$300.00. Illustration # 7.

Budget/Financial Impact:

Our present budget allows for \$36,000 retirement benefit for our Lucas firefighters who are volunteers. Nothing has been spent to date. There are three scenarios for the pre-funding of the plan.

- ❖ One is to pay the complete prefunding in full. The cost would be:

- Illustration #5 (\$10) - \$117,000 First Year and about \$27,100 per Year from Year 2 going forward.
 - Illustration #6 (\$12) - \$138,500 First Year and about \$30,500 per Year from Year 2 going forward.
 - Illustration #7 (\$15) - \$170,600 First Year and about \$35,600 per Year from Year 2 going forward.
- ❖ The second and third are to amortized for 5 years, or over 10 years. Both of these options are in the illustrations provided.

Action:

Make a motion to present Illustration _____ to City Council at the April 2, 2015 for approval; and funding of the proposed Length of Service Award Program (LOSAP) to be administered by Volunteer Firemen's Insurance Services, Inc. (VFIS of Texas) for the benefit of the Lucas Volunteer Firefighters.



183 Leader Heights Road • P.O. Box 2726 • York, Pennsylvania 17405
(717) 741-0911 • (800) 233-1957 • Fax (717) 747-7069 • www.vfis.com



Length of Service Award Program

Designed For

Lucas Fire Department

Illustration #5

Date Prepared: March 03, 2015

Prepared By:

Jeff Moore
Glatfelter Specialty Benefits
(800) 233-1957 or jmoore@vfis.com
www.glatfelterspecialtybenefits.com

Presented By:

Barbara Marzean
VFIS of Texas
3420 Executive Center Drive, Suite 301
Austin, TX 78731
(800) 252-9435

THIS PROPOSAL EXPIRES IN 90 DAYS

THE SIGNED PLAN DOCUMENT WILL SUPERSEDE ANY PROPOSAL SPECIFICATIONS

Lucas Fire Department

Illustration #5

PLAN SPECIFICATIONS

1. **Effective Date:** 04/01/2015
2. **Eligibility:** As provided on your census.
3. **Pre-Entitlement Benefit Formula:**
 - \$10.00 Per month per year of past service
(maximum of 5 Years).
 - \$10.00 Per month per year of future service.
 - 20 Maximum years of service.
 - \$200.00 Maximum monthly entitlement benefit.
4. **Vesting Schedule:** 3 Years = 60%, 4 years = 80%, 5 years = 100%
5. **Entitlement Age:** Age 65 plus 1 year of Plan Participation. (Participant must sever service with your organization or attain the maximum benefit permitted under the program to commence payment of the award.)
6. **Normal Form of Entitlement Benefit:** Monthly life annuity - (Minimum 120 monthly payments)
7. **Disability Benefit:** Lump sum distribution
8. **Pre-Entitlement Death Benefit:** The greater of \$10,000.00 or the present value of the participant's accrued benefit.

ACTUARIAL FUNDING METHODS & ASSUMPTIONS

9. **Interest Assumptions:** 4.75%
10. **Turnover Table:** N/A
11. **Mortality Table:**

	<u>Pre-Retirement</u>	<u>Post-Retirement</u>
Male	1994 Group Annuity (GAR)	1994 Group Annuity (GAR)
Female	1994 Group Annuity (GAR)	1994 Group Annuity (GAR)
12. **Funding Method:** Entry age normal frozen initial liability

Lucas Fire Department

Illustration #5

ANNUAL RECOMMENDED DEPOSIT

This Length of Service Awards Program has been structured to allow the plan sponsor to systematically set aside funds in relatively level increments as a means to accumulate funds necessary to provide benefits. The Annual Recommended Deposit illustrated in this proposal is based on information provided to us as well as the proposed effective date outlined in Plan Specifications. Any changes to participant specific data, Plan Specifications, or the effective date may cause variations in the illustrations provided below.

The Annual Recommended Deposit will be recalculated each year using current data, assumes first day of plan year contribution, and consists of the following:

	5 Year Amortization	10 Year Amortization
Administrative Fee	\$1,112.00	\$1,112.00
Life Insurance Premium	\$9,010.00	\$9,010.00
Investment Deposit Normal Cost	\$16,942.00	\$16,942.00
Investment Deposit Amortization	\$19,662.00	\$10,966.00
Annual Recommended Deposit	\$46,726.00	\$38,030.00

Administrative Fee

The VFIS annual administrative fee is \$800.00 + \$ 8 per Participant. This fee covers contracted VFIS services, as well as annual certification by an independent, enrolled actuary. The fee noted above is based on 39 Participants on your roster.

Life Insurance Premium

The death benefit illustrated in this proposal is supported by *individual* universal life insurance contracts. Coverage is guaranteed issue for members aged 16 to 65. Members aged 66 and older must go through medical underwriting to be considered for coverage. Coverage may be denied based upon the member's medical history. Life insurance protection is not available in this product for members aged 70 and older.

Investment Deposit Normal Cost ("Normal Cost")

"Normal Cost" is an estimate of the minimum funding necessary for the coming year that will accumulate an investment fund that is sufficient to provide promised benefits at entitlement for all eligible Participants.

Investment Deposit Amortization

"Normal cost" is calculated as if the plan had always been in effect and the sponsor had been making regular contributions up to the plan's effective date. However, since contributions were not made prior to the effective date, the amount that would have otherwise accumulated needs to be funded. As an alternative to paying this amount in a lump sum, it can be amortized over a number of years.

**Lucas Fire Department
Participant Summary Report
Valuation as of 04/01/2015 for the Plan Year Ending 03/31/2016**

<u>Employee Name</u>	<u>Status</u>	<u>Hire Date</u>	<u>Curr Age</u>	<u>Ret Age</u>	<u>Proj Mo Benefit</u>	<u>Accrued Benefit</u>	<u>Vest Pct</u>	<u>Vested Accr Ben</u>
Abston, Larry William	Active	1/1/01	62	65	\$80.00	\$50.00	100%	\$50.00
Alderdice, Aaron	Active	1/5/15	27	65	\$200.00	\$10.00	0%	\$0.00
Bohnenkamper, Tony L	Active	4/1/13	53	65	\$140.00	\$20.00	0%	\$0.00
Bramett, Doug G	Active	6/8/09	45	65	\$200.00	\$50.00	100%	\$50.00
Brasfield, Kyle J	Active	1/1/12	23	65	\$200.00	\$30.00	60%	\$18.00
Contreras, Alejandro	Active	8/1/14	28	65	\$200.00	\$10.00	0%	\$0.00
Cook, John	Active	10/1/13	22	65	\$200.00	\$20.00	0%	\$0.00
Dejong, Scott C	Active	7/11/11	27	65	\$200.00	\$40.00	80%	\$32.00
Evans, Ian C	Active	1/1/12	30	65	\$200.00	\$30.00	60%	\$18.00
Fick, Denise	Active	1/5/15	56	65	\$100.00	\$10.00	0%	\$0.00
Frome, Robert L	Active	1/16/11	49	65	\$200.00	\$40.00	80%	\$32.00
Gadness, Joel	Active	8/1/14	34	65	\$200.00	\$10.00	0%	\$0.00
Gant, Lance M	Active	2/28/11	39	65	\$200.00	\$40.00	80%	\$32.00
Garcia, Jonathan	Active	8/1/14	31	65	\$200.00	\$10.00	0%	\$0.00
Graham, Sam	Active	1/5/15	35	65	\$200.00	\$10.00	0%	\$0.00
Guajardo, Jesus	Active	12/1/12	27	65	\$200.00	\$20.00	0%	\$0.00
Hamilton, Sabrina L	Active	4/22/13	34	65	\$200.00	\$20.00	0%	\$0.00
Hazelton, Dakota	Active	11/17/14	23	65	\$200.00	\$10.00	0%	\$0.00
Hines, Benjamin W	Active	4/9/12	23	65	\$200.00	\$30.00	60%	\$18.00
Hurley, Jim L	Active	5/12/10	63	65	\$70.00	\$50.00	100%	\$50.00
Johnson, Gary D	Active	8/14/01	76	77	\$60.00	\$50.00	100%	\$50.00
Johnson, Theran	Active	8/1/14	25	65	\$200.00	\$10.00	0%	\$0.00
Jones, Victor	Active	12/1/12	20	65	\$200.00	\$20.00	0%	\$0.00
Kellan, Chris	Active	9/1/13	54	65	\$130.00	\$20.00	0%	\$0.00

Leonard, Coy Davld	Active	1/1/01	61	65	\$90.00	\$50.00	100%	\$50.00
Lin, Andrew	Active	2/1/13	23	65	\$200.00	\$20.00	0%	\$0.00
Lynch, Dennis C	Active	2/2/07	37	65	\$200.00	\$50.00	100%	\$50.00
Malik, Matthew W	Active	1/1/13	26	65	\$200.00	\$20.00	0%	\$0.00
Mauck, Bobeite	Active	10/21/08	56	65	\$140.00	\$50.00	100%	\$50.00
Orozco, Brian Jt	Active	7/3/14	32	65	\$200.00	\$10.00	0%	\$0.00
Petersen, Cameron Del Var	Active	12/5/10	24	65	\$200.00	\$40.00	80%	\$32.00
Poteete, Joshua	Active	8/1/14	24	65	\$200.00	\$10.00	0%	\$0.00
Reining, Gerald L	Active	1/8/11	35	65	\$200.00	\$40.00	80%	\$32.00
Robinett, Chad D.	Active	9/15/09	32	65	\$200.00	\$50.00	100%	\$50.00
Sanchez, Maria J	Active	1/1/12	24	65	\$200.00	\$30.00	60%	\$18.00
Tellier, James Edward	Active	1/1/01	64	65	\$60.00	\$50.00	100%	\$50.00
Thompson, Kimberly A	Active	1/10/13	47	65	\$200.00	\$20.00	0%	\$0.00
Wheless, Scott L	Active	7/11/11	24	65	\$200.00	\$40.00	80%	\$32.00
Zale, Craig A	Active	1/1/01	47	65	\$200.00	\$50.00	100%	\$50.00

Member Total: 39

*Life insurance coverage is guaranteed issue for members aged 16 to 65. Members aged 66 and older must go through medical underwriting to be considered for coverage. Coverage may be denied based upon the member's medical history. Life insurance protection is not available in this product for members aged 70 and older.



183 Leader Heights Road • P.O. Box 2726 • York, Pennsylvania 17405
(717) 741-0911 • (800) 233-1957 • Fax (717) 747-7069 • www.vfis.com



Length of Service Award Program

Designed For

Lucas Fire Department

Illustration #6

Date Prepared: March 04, 2015

Prepared By:

Jeff Moore
Glatfelter Specialty Benefits
(800) 233-1957 or jmoore@vfis.com
www.glatfelterspecialtybenefits.com

Presented By:

Barbara Marzean
VFIS of Texas
3420 Executive Center Drive, Suite 301
Austin, TX 78731
(800) 252-9435

THIS PROPOSAL EXPIRES IN 90 DAYS

THE SIGNED PLAN DOCUMENT WILL SUPERSEDE ANY PROPOSAL SPECIFICATIONS

Lucas Fire Department

Illustration #6

PLAN SPECIFICATIONS

1. **Effective Date:** 04/01/2015
2. **Eligibility:** As provided on your census.
3. **Pre-Entitlement Benefit Formula:**
 - \$12.00 Per month per year of past service
(maximum of 5 Years).
 - \$12.00 Per month per year of future service.
 - 20 Maximum years of service.
 - \$240.00 Maximum monthly entitlement benefit.
4. **Vesting Schedule:** 3 Years = 60%, 4 years = 80%, 5 years = 100%
5. **Entitlement Age:** Age 65 plus 1 year of Plan Participation. (Participant must sever service with your organization or attain the maximum benefit permitted under the program to commence payment of the award.)
6. **Normal Form of Entitlement Benefit:** Monthly life annuity - (Minimum 120 monthly payments)
7. **Disability Benefit:** Lump sum distribution
8. **Pre-Entitlement Death Benefit:** The greater of \$10,000.00 or the present value of the participant's accrued benefit.

ACTUARIAL FUNDING METHODS & ASSUMPTIONS

9. **Interest Assumptions:** 4.75%
10. **Turnover Table:** N/A
11. **Mortality Table:**

	<u>Pre-Retirement</u>	<u>Post-Retirement</u>
Male	1994 Group Annuity (GAR)	1994 Group Annuity (GAR)
Female	1994 Group Annuity (GAR)	1994 Group Annuity (GAR)
12. **Funding Method:** Entry age normal frozen initial liability

Lucas Fire Department

Illustration #6

ANNUAL RECOMMENDED DEPOSIT

This Length of Service Awards Program has been structured to allow the plan sponsor to systematically set aside funds in relatively level increments as a means to accumulate funds necessary to provide benefits. The Annual Recommended Deposit illustrated in this proposal is based on information provided to us as well as the proposed effective date outlined in Plan Specifications. Any changes to participant specific data, Plan Specifications, or the effective date may cause variations in the illustrations provided below.

The Annual Recommended Deposit will be recalculated each year using current data, assumes first day of plan year contribution, and consists of the following:

	5 Year Amortization	10 Year Amortization
Administrative Fee	\$1,112.00	\$1,112.00
Life Insurance Premium	\$9,010.00	\$9,010.00
Investment Deposit Normal Cost	\$20,326.00	\$20,326.00
Investment Deposit Amortization	\$23,601.00	\$13,164.00
Annual Recommended Deposit	\$54,049.00	\$43,612.00

Administrative Fee

The VFIS annual administrative fee is \$800.00 + \$ 8 per Participant. This fee covers contracted VFIS services, as well as annual certification by an independent, enrolled actuary. The fee noted above is based on 39 Participants on your roster.

Life Insurance Premium

The death benefit illustrated in this proposal is supported by *individual* universal life insurance contracts. Coverage is guaranteed issue for members aged 16 to 65. Members aged 66 and older must go through medical underwriting to be considered for coverage. Coverage may be denied based upon the member's medical history. Life insurance protection is not available in this product for members aged 70 and older.

Investment Deposit Normal Cost ("Normal Cost")

"Normal Cost" is an estimate of the minimum funding necessary for the coming year that will accumulate an investment fund that is sufficient to provide promised benefits at entitlement for all eligible Participants.

Investment Deposit Amortization

"Normal cost" is calculated as if the plan had always been in effect and the sponsor had been making regular contributions up to the plan's effective date. However, since contributions were not made prior to the effective date, the amount that would have otherwise accumulated needs to be funded. As an alternative to paying this amount in a lump sum, it can be amortized over a number of years.

**Lucas Fire Department
Participant Summary Report
Valuation as of 04/01/2015 for the Plan Year Ending 03/31/2016**

<u>Employee Name</u>	<u>Status</u>	<u>Hire Date</u>	<u>Curr Age</u>	<u>Ret Age</u>	<u>Proj Mo Benefit</u>	<u>Accrued Benefit</u>	<u>Vest Pct</u>	<u>Vested Accr Ben</u>
Abston, Larry William	Active	1/1/01	62	65	\$96.00	\$60.00	100%	\$60.00
Alderdice, Aaron	Active	1/5/15	27	65	\$240.00	\$12.00	0%	\$0.00
Bohnenkamper, Tony L	Active	4/1/13	53	65	\$168.00	\$24.00	0%	\$0.00
Bramett, Doug G	Active	6/8/09	45	65	\$240.00	\$60.00	100%	\$60.00
Brasfield, Kyle J	Active	1/1/12	23	65	\$240.00	\$36.00	60%	\$21.60
Contreras, Alejandro	Active	8/1/14	28	65	\$240.00	\$12.00	0%	\$0.00
Cook, John	Active	10/1/13	22	65	\$240.00	\$24.00	0%	\$0.00
Dejong, Scott C	Active	7/11/11	27	65	\$240.00	\$48.00	80%	\$38.40
Evans, Ian C	Active	1/1/12	30	65	\$240.00	\$36.00	60%	\$21.60
Fick, Denise	Active	1/5/15	56	65	\$120.00	\$12.00	0%	\$0.00
Frome, Robert L	Active	1/16/11	49	65	\$240.00	\$48.00	80%	\$38.40
Gadness, Joel	Active	8/1/14	34	65	\$240.00	\$12.00	0%	\$0.00
Gant, Lance M	Active	2/28/11	39	65	\$240.00	\$48.00	80%	\$38.40
Garcia, Jonathan	Active	8/1/14	31	65	\$240.00	\$12.00	0%	\$0.00
Graham, Sam	Active	1/5/15	35	65	\$240.00	\$12.00	0%	\$0.00
Guajardo, Jesus	Active	12/1/12	27	65	\$240.00	\$24.00	0%	\$0.00
Hamilton, Sabrina L	Active	4/22/13	34	65	\$240.00	\$24.00	0%	\$0.00
Hazelton, Dakota	Active	11/17/14	23	65	\$240.00	\$12.00	0%	\$0.00
Hines, Benjamin W	Active	4/9/12	23	65	\$240.00	\$36.00	60%	\$21.60
Hurley, Jim L	Active	5/12/10	63	65	\$84.00	\$60.00	100%	\$60.00
Johnson, Gary D	Active	8/14/01	76	77	\$72.00	\$60.00	100%	\$60.00
Johnson, Theran	Active	8/1/14	25	65	\$240.00	\$12.00	0%	\$0.00
Jones, Victor	Active	12/1/12	20	65	\$240.00	\$24.00	0%	\$0.00
Kellen, Chris	Active	9/1/13	54	65	\$156.00	\$24.00	0%	\$0.00

Leonard, Coy Davld	Active	1/1/01	61	65	\$108.00	\$60.00	100%	\$60.00
Lin, Andrew	Active	2/1/13	23	65	\$240.00	\$24.00	0%	\$0.00
Lynch, Dennis C	Active	2/2/07	37	65	\$240.00	\$60.00	100%	\$60.00
Malik, Matthew W	Active	1/1/13	26	65	\$240.00	\$24.00	0%	\$0.00
Mauck, Bobeite	Active	10/21/08	56	65	\$168.00	\$60.00	100%	\$60.00
Orozco, Brian Jt	Active	7/3/14	32	65	\$240.00	\$12.00	0%	\$0.00
Petersen, Cameron Del Var	Active	12/5/10	24	65	\$240.00	\$48.00	80%	\$38.40
Poteete, Joshua	Active	8/1/14	24	65	\$240.00	\$12.00	0%	\$0.00
Reining, Gerald L	Active	1/8/11	35	65	\$240.00	\$48.00	80%	\$38.40
Robinett, Chad D.	Active	9/15/09	32	65	\$240.00	\$60.00	100%	\$60.00
Sanchez, Maria J	Active	1/1/12	24	65	\$240.00	\$36.00	60%	\$21.60
Tellier, James Edward	Active	1/1/01	64	65	\$72.00	\$60.00	100%	\$60.00
Thompson, Kimberly A	Active	1/10/13	47	65	\$240.00	\$24.00	0%	\$0.00
Wheless, Scott L	Active	7/11/11	24	65	\$240.00	\$48.00	80%	\$38.40
Zale, Craig A	Active	1/1/01	47	65	\$240.00	\$60.00	100%	\$60.00

Member Total: 39

*Life insurance coverage is guaranteed issue for members aged 16 to 65. Members aged 66 and older must go through medical underwriting to be considered for coverage. Coverage may be denied based upon the member's medical history. Life insurance protection is not available in this product for members aged 70 and older.



183 Leader Heights Road • P.O. Box 2726 • York, Pennsylvania 17405
(717) 741-0911 • (800) 233-1957 • Fax (717) 747-7069 • www.vfis.com



Length of Service Award Program

Designed For

Lucas Fire Department

Illustration #7

Date Prepared: March 04, 2015

Prepared By:

Jeff Moore
Glatfelter Specialty Benefits
(800) 233-1957 or jmoore@vfis.com
www.glatfelterspecialtybenefits.com

Presented By:

Barbara Marzean
VFIS of Texas
3420 Executive Center Drive, Suite 301
Austin, TX 78731
(800) 252-9435

THIS PROPOSAL EXPIRES IN 90 DAYS

THE SIGNED PLAN DOCUMENT WILL SUPERSEDE ANY PROPOSAL SPECIFICATIONS

Lucas Fire Department

Illustration #7

PLAN SPECIFICATIONS

1. **Effective Date:** 04/01/2015
2. **Eligibility:** As provided on your census.
3. **Pre-Entitlement Benefit Formula:**
 - \$15.00 Per month per year of past service
(maximum of 5 Years).
 - \$15.00 Per month per year of future service.
 - 20 Maximum years of service.
 - \$300.00 Maximum monthly entitlement benefit.
4. **Vesting Schedule:** 3 Years = 60%, 4 Years = 80%, 5 Years = 100%
5. **Entitlement Age:** Age 65 plus 1 year of Plan Participation. (Participant must sever service with your organization or attain the maximum benefit permitted under the program to commence payment of the award.)
6. **Normal Form of Entitlement Benefit:** Monthly life annuity - (Minimum 120 monthly payments)
7. **Disability Benefit:** Lump sum distribution
8. **Pre-Entitlement Death Benefit:** The greater of \$10,000.00 or the present value of the participant's accrued benefit.

ACTUARIAL FUNDING METHODS & ASSUMPTIONS

9. **Interest Assumptions:** 4.75%
10. **Turnover Table:** N/A
11. **Mortality Table:**

	<u>Pre-Retirement</u>	<u>Post-Retirement</u>
Male	1994 Group Annuity (GAR)	1994 Group Annuity (GAR)
Female	1994 Group Annuity (GAR)	1994 Group Annuity (GAR)
12. **Funding Method:** Entry age normal frozen initial liability

Lucas Fire Department

Illustration #7

ANNUAL RECOMMENDED DEPOSIT

This Length of Service Awards Program has been structured to allow the plan sponsor to systematically set aside funds in relatively level increments as a means to accumulate funds necessary to provide benefits. The Annual Recommended Deposit illustrated in this proposal is based on information provided to us as well as the proposed effective date outlined in Plan Specifications. Any changes to participant specific data, Plan Specifications, or the effective date may cause variations in the illustrations provided below.

The Annual Recommended Deposit will be recalculated each year using current data, assumes first day of plan year contribution, and consists of the following:

	5 Year Amortization	10 Year Amortization
Administrative Fee	\$1,112.00	\$1,112.00
Life Insurance Premium	\$9,010.00	\$9,010.00
Investment Deposit Normal Cost	\$25,414.00	\$25,414.00
Investment Deposit Amortization	\$29,487.00	\$16,446.00
Annual Recommended Deposit	\$65,023.00	\$51,982.00

Administrative Fee

The VFIS annual administrative fee is \$800.00 + \$ 8 per Participant. This fee covers contracted VFIS services, as well as annual certification by an independent, enrolled actuary. The fee noted above is based on 39 Participants on your roster.

Life Insurance Premium

The death benefit illustrated in this proposal is supported by *individual* universal life insurance contracts. Coverage is guaranteed issue for members aged 16 to 65. Members aged 66 and older must go through medical underwriting to be considered for coverage. Coverage may be denied based upon the member's medical history. Life insurance protection is not available in this product for members aged 70 and older.

Investment Deposit Normal Cost ("Normal Cost")

"Normal Cost" is an estimate of the minimum funding necessary for the coming year that will accumulate an investment fund that is sufficient to provide promised benefits at entitlement for all eligible Participants.

Investment Deposit Amortization

"Normal cost" is calculated as if the plan had always been in effect and the sponsor had been making regular contributions up to the plan's effective date. However, since contributions were not made prior to the effective date, the amount that would have otherwise accumulated needs to be funded. As an alternative to paying this amount in a lump sum, it can be amortized over a number of years.

**Lucas Fire Department
Participant Summary Report
Valuation as of 04/01/2015 for the Plan Year Ending 03/31/2016**

<u>Employee Name</u>	<u>Status</u>	<u>Hire Date</u>	<u>Curr Age</u>	<u>Ret Age</u>	<u>Proj Mo Benefit</u>	<u>Accrued Benefit</u>	<u>Vest Pct</u>	<u>Vested Accr Ben</u>
Abston, Larry William	Active	1/1/01	62	65	\$120.00	\$75.00	100%	\$75.00
Alderdice, Aaron	Active	1/5/15	27	65	\$300.00	\$15.00	0%	\$0.00
Bohnenkamper, Tony L	Active	4/1/13	53	65	\$210.00	\$30.00	0%	\$0.00
Bramett, Doug G	Active	6/8/09	45	65	\$300.00	\$75.00	100%	\$75.00
Brasfield, Kyle J	Active	1/1/12	23	65	\$300.00	\$45.00	60%	\$27.00
Contreras, Alejandro	Active	8/1/14	28	65	\$300.00	\$15.00	0%	\$0.00
Cook, John	Active	10/1/13	22	65	\$300.00	\$30.00	0%	\$0.00
Dejong, Scott C	Active	7/11/11	27	65	\$300.00	\$60.00	80%	\$48.00
Evans, Ian C	Active	1/1/12	30	65	\$300.00	\$45.00	60%	\$27.00
Fick, Denise	Active	1/5/15	56	65	\$150.00	\$15.00	0%	\$0.00
Frome, Robert L	Active	1/16/11	49	65	\$300.00	\$60.00	80%	\$48.00
Gadness, Joel	Active	8/1/14	34	65	\$300.00	\$15.00	0%	\$0.00
Gant, Lance M	Active	2/28/11	39	65	\$300.00	\$60.00	80%	\$48.00
Garcia, Jonathan	Active	8/1/14	31	65	\$300.00	\$15.00	0%	\$0.00
Graham, Sam	Active	1/5/15	35	65	\$300.00	\$15.00	0%	\$0.00
Guajardo, Jesus	Active	12/1/12	27	65	\$300.00	\$30.00	0%	\$0.00
Hamilton, Sabrina L	Active	4/22/13	34	65	\$300.00	\$30.00	0%	\$0.00
Hazelton, Dakota	Active	11/17/14	23	65	\$300.00	\$15.00	0%	\$0.00
Hines, Benjamin W	Active	4/9/12	23	65	\$300.00	\$45.00	60%	\$27.00
Hurley, Jim L	Active	5/12/10	63	65	\$105.00	\$75.00	100%	\$75.00
Johnson, Gary D	Active	8/14/01	76	77	\$90.00	\$75.00	100%	\$75.00
Johnson, Theran	Active	8/1/14	25	65	\$300.00	\$15.00	0%	\$0.00
Jones, Victor	Active	12/1/12	20	65	\$300.00	\$30.00	0%	\$0.00
Kellen, Chris	Active	9/1/13	54	65	\$195.00	\$30.00	0%	\$0.00

Leonard, Coy Davld	Active	1/1/01	61	65	\$135.00	\$75.00	100%	\$75.00
Lin, Andrew	Active	2/1/13	23	65	\$300.00	\$30.00	0%	\$0.00
Lynch, Dennis C	Active	2/2/07	37	65	\$300.00	\$75.00	100%	\$75.00
Malik, Matthew W	Active	1/1/13	26	65	\$300.00	\$30.00	0%	\$0.00
Mauck, Bobeite	Active	10/21/08	56	65	\$210.00	\$75.00	100%	\$75.00
Orozco, Brian Jt	Active	7/3/14	32	65	\$300.00	\$15.00	0%	\$0.00
Petersen, Cameron Del Var	Active	12/5/10	24	65	\$300.00	\$60.00	80%	\$48.00
Poteete, Joshua	Active	8/1/14	24	65	\$300.00	\$15.00	0%	\$0.00
Reining, Gerald L	Active	1/8/11	35	65	\$300.00	\$60.00	80%	\$48.00
Robinett, Chad D.	Active	9/15/09	32	65	\$300.00	\$75.00	100%	\$75.00
Sanchez, Maria J	Active	1/1/12	24	65	\$300.00	\$45.00	60%	\$27.00
Tellier, James Edward	Active	1/1/01	64	65	\$90.00	\$75.00	100%	\$75.00
Thompson, Kimberly A	Active	1/10/13	47	65	\$300.00	\$30.00	0%	\$0.00
Wheless, Scott L	Active	7/11/11	24	65	\$300.00	\$60.00	80%	\$48.00
Zale, Craig A	Active	1/1/01	47	65	\$300.00	\$75.00	100%	\$75.00

Member Total: 39

*Life insurance coverage is guaranteed issue for members aged 16 to 65. Members aged 66 and older must go through medical underwriting to be considered for coverage. Coverage may be denied based upon the member's medical history. Life insurance protection is not available in this product for members aged 70 and older.



**City of Lucas
Lucas Volunteer Firefighter Pension
Board
Meeting Date: March 23, 2015**

Name & Title of Requestor: Cheryl M. Meehan, HR Manager

Agenda Item:

Adjournment.

Background Information:

N/A

Attachments/Supporting Documentation:

N/A

Budget/Financial Impact:

N/A

Action:

Make a motion to adjourn this meeting of the LUCAS Volunteer Firefighter Pension Board, as of _____.