

TEXAS LOCAL FIREFIGHTERS
RETIREMENT ACT OF DENTON

Regular Monthly Meeting
October 17, 2017

The regular meeting of the Texas Local Firefighter's Retirement Act of Denton was called to order at 8:30 AM on October 17, 2017, at the Central Fire Station, 332 E. Hickory, Denton, Texas.

Board Members Present: Derek Oswald, Scott Manes, Chris Reeder, Charlie Parker, Dick Smith, Chuck Springer

Also Present: Sennett Kirk, Bill Coleman, Gary Calmes, Bryan Langley

Agenda Item #1: Call To Order - The meeting was called to order by Chairman Derek Oswald.

Agenda Item #2: Approval of the Minutes - Mr. Reeder moved and Mr. Smith seconded to approve the minutes from the September 19, 2017 meeting. Approved.

Agenda Item #3: Receive a report and discuss information provided by investment advisors and/or real estate committee relating to investment and real estate matters and take action - Mr. Calmes reported that he has received two bids to repair the sidewalk at the Crossroads property and the lowest is from Riley Construction at \$10,500. Mr. Reeder suggested that the work should be done when it wouldn't impact the businesses that are involved. Mr. Calmes agreed and will discuss the details with the contractor. Mr. Parker moved that Mr. Calmes be given authority to hire Riley Construction Company and to spend up to \$15,000 to repair the sidewalk. Mr. Reeder seconded. Approved.

Mr. Calmes reported that the tenants at the North Elm location have contacted the management company about repairs that need to be made to the concrete. The repairs should be about \$3000. He also reported that the September rent check was late. The management company will review their procedures to find out why it happened and to prevent it from happening in the future.

Mr. Coleman reported that equity markets and the fed balance sheet continue to go up. During the period 2009 to 2018 there hasn't been the expansion or velocity growth the Fed had hoped for. Year to date growth stands at about 2.3%. The Feds plan to tighten money policy. Currently markets are at an all time high and confidence is high also. Earnings are expected to be good through the fourth quarter.

Mr. Coleman reported that the Reynders account is surpassing the S&P but year to date the portfolio is lagging the S&P. During the 2nd quarter Reynders sold off their positions in Chipotle, Johnson Controls, Kroger and Hologic. They added positions in Panasonic, Biogen and Celgene. He suggested transferring the cash from CDs as they roll off to fund the new bond ladder with \$5M as previously discussed. Eventually that account will total \$10M. Each position will be approximately \$750,000.

Mr. Kirk reported that the hurricanes destroyed a sizeable amount of wealth which will have to be paid for by the federal government, owners and insurance companies. He feels that there is risk of another market drop like the one in 1987, especially because so many investors are passive investors and more likely to panic if there is a significant downturn.

Mr. Kirk presented the quarterly exception report for discussion. He reported that MLPs have been added to the report which gives information on a larger percentage of the portfolio. Mr. Parker moved and Mr. Reeder seconded to approve the exception report. Passed.

Mr. Kirk recommended buying 3000 shares of Sabine Royalty, 3000 Fastenal and 5000 Nike. Mr. Parker moved and Mr. Reeder seconded approval of the recommendations. Passed.

Mr. Langley gave an update on the agreement being worked on between the City and Firefighter's Association. The Association has some concerns which are being addressed. Mr. Langley hopes to have an agreement that has been approved by both the association and the city by the November meeting.

Agenda Item #8 - There being no further business the meeting was adjourned at 9:40 AM.

Respectfully Submitted,



Kathy Vermillion, Recording Secretary

Approved,



Derek Oswald, Chairman