

Texas Local Firefighter's Retirement Act of Denton
Regular Monthly Meeting
November 20, 2019

After determining that a quorum was present, the Texas Local Firefighter's Retirement Act of Denton Board of Directors convened in a regular monthly meeting on Wednesday, November 20, 2019 at 8:30 a.m. in the Community Conference Room at the Central Fire Station.

Board Members Present: Derek Oswald, Scott Manes, Erik Clark, Dick Smith, Tony Puente
Board Member Absent: Chris Reeder, Charlie Parker
Also Present: Gary Calmes, Bill Coleman

1. Call to Order

Chairman Oswald called the meeting to order at 8:34 a.m.

2. Approval of the minutes from the October 16, 2019 meeting

Manes motioned; Smith seconded to approve the minutes. Motion carried unanimously.

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.

Gary Calmes presented information/updates on the following:

- Real Estate - all of the Crossroads leases have been renewed except for Fuzzy's. Alcoa was waiting on Peterbilt to complete its lease. Cost estimates were expected soon regarding the drainage issue. Another issue with Crossroads dealt with the fire suppression system. The Property Management's Fire Inspector found that the fire suppression system booster pump had not been inspected, was out of diesel and was not working. Andreason was in contact with the developer who was responsible for the system but so far they had not been responsive. Andreason sent a formal demand letter to the developer to provide a plan on how it would be addressed with a response due by Friday. One problem was who had jurisdiction in the area for enforcement.

The Board discussed who had responsibility for fire services in the area and the liability of the system not working. The drainage issue was discussed in terms of liability.

Bill Coleman presented information/updates on the following:

- The asset allocation and bond ladder were the same as last month. A bond was due at the end of next month.
- With the last contribution the fund now had assets in excess of \$100MM.
- The portfolio looked good and he reviewed the performances of various portions of the portfolio noting those that had an increase and those that had either slightly declined or were stable.
- Discussed a "watch list" he had developed to keep track of those companies that were of interest for possible inclusion in the portfolio in the future.

- Recommendations
 - Purchase 2500 shares of Magellan Midstream
 - Purchase 850 shares of Chevron
 - Purchase 850 shares of 3M

The Board discussed getting back to the target of 10% cash as levels have been above the target for some time. Coleman indicated that he would look at the numbers and present a plan next month for the Board to consider.

Puente motioned; Clark seconded to approve the recommendations. Motion carried unanimously.

Board Member Oswald stated that in the past the Board had discussed possible participation in backing a development in need of additional funding. He had spoken with Andreason about this type of project, noting that Alex Payne, Axis Realty, might be a local developer who they could partner with as it would be a local project.

The Board discussed the pros and cons of participating. Current building materials were very high and it might be a factor in future development. The Board indicated that they would be willing to listen to such a proposal with participation perhaps in the short term.

4. Receive a report and discuss the new funding policy requirement enacted by the 86th Legislature through Senate Bill 2224.

Calmes noted that Senate Bill 2224 required an audit of the investments which was due at the end of May. He was researching companies that performed those audits.

The Bill also dealt with a funding policy for the plan to be 100% funded. He recommended using a sample policy that the Pension Board provided and adjusting it for Denton's figures. This was due at the end of December and could be changed in the future if needed.

Board discussed that the sample policy could be used as long as it was within the parameters of the Meet and Confer agreement. Various portion of the sample policy were discussed and it was suggested to provide the Board with a revised policy for consideration at the next meeting. The Board was in favor of using the Pension Board sample as a template as a starting point for the policy.

Puente motioned; Manes seconded to table the issue to the next meeting. Motion carried unanimously.

5. Consider for approval the retirement payout for Ryan Taylor.

Calmes presented the details of the payout information

Smith motioned; Clark seconded to approve the payout. Motion carried unanimously.

6. Receive a report from plan administrator, Gary Calmes, and provide direction.

There were no additional items for discussion.

7. Receive a report from the chair on any non-material transactions.

There were no items for discussion.

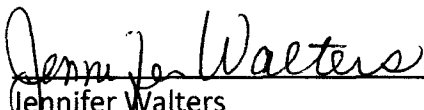
8. Respond to inquiries from trustees or the public with specific factual information or recitation of policy or accept a proposal to place the matter on the agenda for an upcoming meeting.

No items were noted.

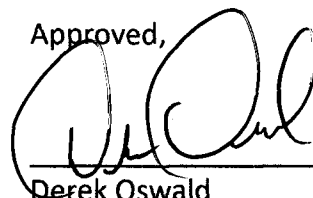
9. Adjourn

With no further business, the meeting was adjourned at 9:27 a.m.

Respectfully submitted,



Jennifer Walters
Recording Secretary

Approved,


Derek Oswald
Chairman