

TEXAS LOCAL FIREFIGHTERS
RETIREMENT ACT OF DENTON

Regular Monthly Meeting
December 19, 2017

The regular meeting of the Texas Local Firefighter's Retirement Act of Denton was called to order at 8:30 AM on December 19, 2017, at the Central Fire Station, 332 E. Hickory, Denton, Texas.

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

Board Members Absent: Charlie Parker

Also Present: Sennett Kirk, Bill Coleman, Gary Calmes, Tony Puente Jr.

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

Agenda Item #2: Approval of the Minutes - Mr. Calmes led a discussion about the minutes from the November 15th meeting. A reference was made concerning a dispatcher which was merely an administrative action. It was decided that the reference should be deleted from the minutes. Mr. Smith moved and Mr. Scott seconded approval of the minutes as amended. Passed.

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 Alcoa and Arconic are the same company and therefore no changes are needed to the lease agreement. Mr. Calmes led a discussion concerning the budgets for the two properties. Mr. Reeder moved and Mr. Manes seconded approval of the budgets as proposed. Passed. Mr. Calmes reported that one of the tenants at the Village at Crossroads has asked to renew and extend their lease at a lower rate. The board agreed that the current rates are at or lower than others in the area and therefore aren't interested in the proposal at this time.

Mr. Coleman reported that the Reynders equity account is lagging the S&P slightly. Telecom and Energy are the only two sectors that are down for the S&P this year. Going forward he will look at ADP, possible replacements for that investment and will bring a recommendation to the board. The newest bond in the bond account is Roper Technologies. It is rated BBB and therefore has a slightly higher rate of interest. A total of three bonds have been purchased in the new account. Mr. Coleman reported that the estimate for 4th quarter growth is 2.7%. The S&P will be up thirteen months in a row if the current trend continues through the end of the year. He

thinks that if the 10 year Treasury approaches 3% it could have an impact on the equity markets. Overall the markets are up about 20% for the year. He believes the fund is well positioned in the event we have a correction.

Mr. Kirk reported that current economic growth is at 2-3%. There has been some wage growth but many are still unemployed or underemployed. The House of Representatives will be voting on the Trump tax bill today and it will probably pass. The bill doesn't have any backing from the Democratic party and therefore will likely face backlash just as the Obamacare bill has faced from the Republicans. New traders are coming into the market and many are purchasing shares of EFTs because the dividend rates are good. Since we are probably seeing the end of the bull market it may be a risky time to enter the market. Investors have been driven to equities by the low interest rates on CDs and bonds. The economy seems more precarious than it was in 2008. Stock buy backs seen in recent years benefit the companies and not the investors. Raises in dividends benefit the investors.

Mr. Kirk recommended buying 12,000 shares of Energy Transfer Equity, 2000 Enterprise Products, and 5000 Plains All American Pipeline. Mr. Smith moved and Mr. Oswald seconded approval of Mr. Kirk's recommendations. Passed.

Agenda Item #4: Consider for approval a contract between the Firemen's Relief and Retirement Fund and Garnett Advisors LLC for portfolio management services - There are a few details that need to be addressed in the contract so Mr. Oswald and Mr. Calmes will bring it to the board in January.

Agenda Item #7: Respond to inquiries from trustees or the public - Mr. Springer announced that he has accepted a position with the City of Prosper. He introduced Tony Puente, Jr. who will be his replacement on the board. Mr. Springer also announced that the contract with the city is in place and the 18.5% contribution takes effect with the payroll ending December 22nd.

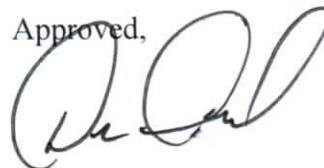
Agenda Item #8: Adjourn - There being no further business, the meeting was adjourned at 9:25 AM.

Respectfully Submitted,



Kathy Vermillion, Recording Secretary

Approved,



Derek Oswald, Chairman