

Texas Local Firefighter's Retirement Act of Denton
Regular Monthly Meeting
April 17, 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, April 17, 2019 at 8:30 a.m. in the Community Conference Room at the Central Fire Station.

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

1. Call to Order

Vice-Chairman Manes called the meeting to order at 8:30 a.m.

2. Approval of minutes from the February 19, 2019 meeting.

Puente motioned; Reeder seconded to approve the minutes as presented. 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.

Bill Coleman presented information/updates on the following items:

- Portfolio – the portfolio was doing fine and it had been a good year so far. He noted that he did not expect a whole lot out of the rest of the year as there were various factors that might affect the market in the future. He would be happy if the portfolio ended up at 3% higher or 3% lower than it currently was. He reviewed the status of the various individual stocks and noted that the cash flow was very good.

Gary Calmes noted that part of the cash flow involved the sale of the right-of-way to the State and the refund received from Mustang.

- Equity holdings – a change will be noted if the Reynders transaction was done. The individual holdings were presented with underperforming areas noted. In terms of financials, he felt the portfolio was fine at this time.
- Asset allocation – this month was a double contribution month from the firefighters which was shown in the figures as an increase in cash. Everything was in line with the equities going up. Individual funds were reviewed.

Calmes noted that it was necessary to approve the quarterly asset allocation as it was out of range at this time. This would be a short-term variance outside the approved policy.

Smith motioned; Puente seconded to approve the quarterly asset allocation. Motion carried unanimously.

- Bond ladder – Coleman noted that the first Treasury Bond would be coming off the books on Friday. He suggested purchasing an additional bond at the end of the ladder in order to be consistent with the ladder and continue on with it.
- Vanguard issue – the background information on the issue was reviewed concerning the change from the current third-party administrator to Vanguard. The only remaining issue was the timing of the move.

The Board discussed possibly using cash to fund Vanguard and wait for a better time to leave the current third-party administrator but as it would be a double allocation it was not recommended. The Board questioned if the dividends would be reinvested which was confirmed. The Board also discussed how to allocate the cash into the funds and how much would be retained with the move. Coleman noted that it would be about 30%.

Puente motioned; Parker seconded to proceed with the change in the third-party administrator and transfer the assets to Vanguard. 30% would remain in the internal portfolio with 70% moved to Vanguard active management. Motion carried unanimously.

Parker motioned; Reeder seconded to purchase another US Treasury Bond for the end of the bond ladder. Motion carried unanimously.

Gary Calmes presented information/updates on the following items:

- Real estate - \$51,000 cash had been received from Mustang as opposed to a credit. He recommended reimbursing four companies for overpayment with \$10,000 left after the reimbursement. He reviewed the companies that would receive the reimbursements. He suggested that if the entities were not made whole after the reconciliation, going back to Northbridge to make them whole.

The Board discussed whether all of the entities were reconciled with underpayment of water and to consider that in conjunction with the calculation. Determine any underpayment in connection with the refund to make the accounts whole before proceeding with the payments.

Leasing agreement – Calmes presented the broker listing agreement with Axis Realty for DFP Properties 2, LLC. Board Member Smith suggested changing the percentage to 4% for renewals with an outside broker involved.

Parker motioned; Reeder seconded to approve the leasing agreement with 4% for an outside broker renewal. Motion carried unanimously.

4. Consider for approval the quarterly fees for Garnett Advisors LLC.

Parker motioned; Puente seconded to approve the quarterly fees. Motioned carried unanimously.

5. Review, discuss and take action if necessary, on the City of Denton proposal to move current (dispatcher option) and all future dispatchers to TMRS.

Calmes noted that no decision was needed at this time as the issue had been moved to Meet and Confer and would be included in those negotiations.

The Board discussed including the issue with Meet and Confer and the effect that might have on the fund. It was also noted that the City Council had approved the actuarial study.

6. Consider for approval changing the meeting schedule from the 2nd Tuesday to the 3rd Wednesday of every month.

Calmes noted that the Board's meeting schedule was included in the Investment Policy and recommended the meeting schedule portion be removed from the Policy the next time it was revised.

Puente motioned; Smith seconded to approve the change in the meeting schedule. Motion carried unanimously.

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

Calmes did not have anything further to report.

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

There were no items for discussion.

9. 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.

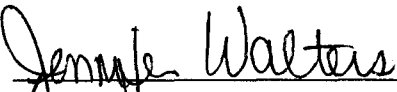
No items were noted.

10. Adjourn


With no further business, Reeder motioned, Manes seconded to adjourn at 9:39 a.m. Motion carried unanimously.

Respectfully submitted,

Approved,



Jennifer Walters
Recording Secretary



Scott Manes
Vice Chairman