

Texas Local Firefighter's Retirement Act of Denton
Regular Monthly Meeting
June 17, 2020

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, June 17, 2020 at 8:30 a.m. at Denton Country Club, 1213 Country Club Road, Argyle.

Board Members Present: Derek Oswald, Scott Manes, Dick Smith, Erik Clark, Tony Puente, Chris Reeder

Members Absent: Charlie Parker

Also Present: Gary Calmes, Bill Coleman, Alex Payne, Kevin Ware, Aimee Bissett, Everette Newland, Rebecca Morris, Mark Fenlaw

1. Call to Order

Chairman Oswald called the meeting to order at 8:33 a.m.

2. Approval of the minutes from the May 20, 2020 meeting

Puente motioned; Smith seconded the motion to approve the May 20, 2020 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.

Alex Payne presented information/updates on the following Real Estate:

The EDSCO property has been in contract for 3 weeks now and during this time we have performed a phase I environmental assessment with Kevin Ware from KJ Environmental. We have also obtained an appraisal that came back with a value of \$3.425M. There was a note in the appraisal that mention nonconforming use in the building that needs further discussion.

Payne invited consultants Aimee Bissett, Kevin Ware and Everette Newland to review the findings and discuss sustainable options for the property with the committee.

After careful consideration regarding zoning issues, prior water sample issues, and the cost of correcting these concerns, the committee decided to cancel the contract and not move forward with purchasing this property.

Reeder motioned; Manes seconded the motion to discontinue with the purchase of this property. Motion carried 5-1 with the exception of Clark.

Bissett, Ware, and Everette left the meeting.
The Committee adjourned 10:10 – 10:18 am.

Chairman Oswald re-called the meeting to order at 10:19 a.m.

Gary Calmes presented the following Real Estate Updates:

Hirschbach staff has agreed to look at study we conducted and provided them.

The rent at Crossroads report through yesterday shows the following tenants are seriously delinquent:

Fuzzy's, Pro Nail Salon, Sally Beauty Supply, and Supercuts
We have reached out to these companies and have not received a response.

The following companies are delinquent but have made partial payments:
T-Mobile, Mattress Firm, Honey Dental, and Lee Jacobs

Calmes asked for direction and permission from the committee to grant Rebecca authority to continue problem solving or move forward with a demand letter and a possible lock-out if there is still no response to the letter.

Alex Payne left the meeting.

Bill Coleman presented information/updates on the following:

The market seems drastically overvalued. If we are not going to buy the EDSCO building, we have too much cash. I am going to look at Energy going forward. There are no change in US bonds.

➤ Performance

- 2nd Qtr. GDP is -45%
- Common Stocks are down 3.6%
- S&P growth is up 4% YTD, but value is down 15%
- MLP's are giving a 10% dividend yield but we are down 31% and will be my focus
- Upcoming payment in July coming out for approximately \$500,000

➤ Recommendations

- Purchase 1100 shares of Medtronic
- Purchase 800 shares of Pepsi
- Purchase 2600 shares of Marathon Petroleum that is rated a C.

The total fund is just over \$100M.

Smith motioned; Reeder seconded the motion to approve recommendations made by Coleman.
Motion carried unanimously.

4. Receive a report and have a discussion regarding actuarial assumptions for the 2019 Actuarial Study.

Mark Fenlaw presented the findings from the 2019 Actuarial Assumptions (attachment 1) stating that some changes are recommended based off a mortality study conducted for the first time by the Society of Actuaries.

Puente asked for clarification that the inflation rate is unchanged at 2% and confirmed that the City contribution of 18.5% is a reliable amount.

Discussion regarding the City's voluntary separation plan to reduce workforce continued with upcoming anticipated impacts.

Plan is to present the full evaluation at the July 15th meeting.

Reeder motioned; Puente seconded the motion to approve the actuarial assumption information for the 2019 Actuarial Assumptions. Motion carried unanimously.

Fenlaw and Morris left the meeting.

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

There were no items for discussion.

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

No items were noted.


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

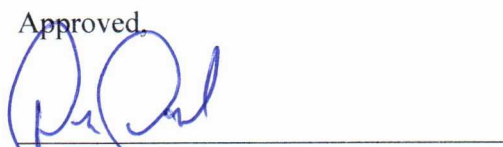
There were no additional items for discussion.

8. Adjourn

With no further business, the meeting was adjourned at 10:50 a.m.

Respectfully submitted,


Sarah Lollar
Recording Secretary

Approved,

Derek Oswald
Chairman