

Texas Local Firefighter's Retirement Act of Denton
Regular Monthly Meeting
April 21, 2021

After determining that a quorum was present, the Texas Local Firefighter's Retirement Act of Denton Board of Directors convened in a scheduled monthly meeting on Wednesday, April 21, 2021 at 8:30 a.m. via video/teleconference.

Board Members Present: Charlie Parker, Scott Manes, Erik Clark, Chris Reeder, David Gaines, Dick Smith, Derek Oswald

Also Present: Gary Calmes, Bill Coleman

1. Call to Order

Vice Chairman Manes called the meeting to order at 8:38 a.m.

2. Approval of the minutes from the March 17, 2021 meeting

Smith motioned; Parker seconded the motion to approve the March 17, 2021 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.

Bill Coleman presented information/updates on the following:

Coleman gave a high-level presentation regarding the current financial forecast markets to the board.

- We are one of the few countries that have positive interest rates.
- The US debt is going down while corporate debt is going up.
- Duration of investment is the longest it has ever been on corporate debt.
- Stocks are cheaper relative to Treasuries.

- **Performance**
 - Right at S&P on a total portfolio position towards value
 - Move portfolio towards gas
 - Growth is down on US and International in March, but April has sky rocketed
 - Right at \$123.5M up 5.5 for the year
 - A bond matured in April 15th
 - We are at 63% total equity exposure

➤ **Recommendations**

- Purchase 2,000 shares of Coca-Cola
- Purchase 4,500 shares of Enterprise Products
- Purchase 4,500 shares of Kinder Morgan
- Purchase 3,000 shares of Magellan Midstream
- Purchase 5,250 shares of TC Energy
- Allocate \$300,00 KAR SMID Core
- Allocate \$500,000 KAR International Small
- Sell 3,000 shares of Williams Sonoma
- Sell 16,600 shares of Phillips 66
- Sell \$500,000 of Vanguard US Growth

Discussion continued regarding adding a fixed asset manager vs. a real estate manager, Bill will follow up with background information and revisit discussion at a future meeting.

Parker mentioned looking into updating the investment policy to safeguard the DFR&R fund until interest rates improve.

Discussion continued regarding portfolio growth options. The Board discussed ongoing purchases of Treasury's while the fund cashflow is over \$1,000,000/year in contributions over retirement distributions.

Parker motioned; Manes seconded the motion to approve recommendations made by Coleman. Motion carried unanimously.

Parker motioned; Manes seconded the motion to approve the Quarterly Exception Report list with the added edit. Motion carried unanimously.

Gary Calmes presented information/updates on the following:

There is a level of concern regarding the way current and past issues have been handled by our property management company. I would like to bring these concerns to the board for direction.

Discussion continued regarding Calmes' concerns and options for resolution. Calmes requested the Board review and give direction regarding the balance due from Fuzzy's. The board discussed and agreed to dismiss the balance and gave Calmes direction to pursue a new real estate asset manager. Calmes will research and bring someone else to the Board for review.

Smith motioned; Parker seconded the motion to dismiss the balance due from Fuzzy's. Motion carried unanimously.

I would like to recommend using Tommy Marshal and Associates for future property protests as a way to diversify our reliance on one organization for real estate needs. We have successfully used them in the past. The Board agreed with this recommendation.

4. Receive a report and give direction regarding the Directors and Officers Liability policy renewal.

Calmes informed the board that it is time to renew liability insurance for the directors and officers. The current amount of liability insurance carried is \$2M. Calmes recommended lowering the coverage amount to \$1M in order to reduce this cost.

Parker motioned; Manes seconded the motion to renew the directors and officer's liability insurance with the best policy for \$2M. Motion carried unanimously.

5. Discuss pension increases for current retiree's.

Reeder Motioned; Manes seconded the motion to send the Ad Hoc Pension Increase letter prepared by Rudd and Wisdom to the association. Motion carried 6-1 with Gains abstaining.

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.

No items were noted.

8. 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.

9. Adjourn

With no further business, the meeting was adjourned at 10:08 a.m.

Respectfully submitted,



Sarah Lollar
Recording Secretary

Approved,



Derek Oswald
Chairman

