

MINUTES OF THE HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

A meeting of the Houston Firefighters' Relief and Retirement Fund Board of Trustees convened at the Fund offices at 4225 Interwood North Parkway on Thursday, May 20, 2010, at 10:03 a.m.

Trustees present were Todd E. Clark (Chair), Harold W. McDonald (Vice Chair), Ted Downing (Secretary), Kevin Brolan, Gary M. Vincent, Craig T. Mason, Dr. Robert Stobaugh, Albertino Mays, and the Honorable Helen Huey. Trustee absent was Francis "Frank" X. Maher. Others present were staff members Christopher Gonzales (Executive Director/Chief Investment Officer), Jonathan W. Needle (Chief Legal Officer) and Glenna Hicks (Deputy Director of Member Services).

The Chair called the meeting to order at 10:03 a.m.

The Board recited the Pledge of Allegiance and observed a moment of silence.

The Chair invited comments from the public.

Steve Williams requested the Board consider moving the "*Comments from the Public*" from the beginning to the conclusion of Board and Committee meetings. He then asked the Board to use "*Robert's Rules of Order*" regularly.

Jerry Stansel commented on the use of the Greer & Lowdermilk Conference Center (G&LCC) noting that retirees should be permitted to assemble at the G&LCC at no charge to discuss retiree issues. He additionally stated that the Board's first responsibility is to the retirees and active members of the Fund and that Mayor Parker should seek the \$14 Million needed to balance the City's budget from other sources.

William (Bill) Hausinger thanked Lance Stahl for preparing his notes of the Board/Committee meetings for the retirees.

There was a motion by Helen Huey, seconded by Dr. Robert Stobaugh, to approve the minutes of the Board meeting held on Thursday, April 15, 2010. The motion carried.

There was a motion by Gary M. Vincent, seconded by Harold W. McDonald, to approve the minutes of the special Board meeting held on Monday, April 26, 2010. The motion carried.

There was a motion by Kevin Brolan, seconded by Ted Downing, to adopt the report of the Pension Benefits Committee meeting held on Thursday, April 15, 2010. The motion carried.

The Report noted the following: Committee determination that the Fund adhere to the Statute and policies adopted by the Board which would require appropriate documentation to be presented to the Fund prior to the release of the pro-rated amount for the month on a request for final benefit payment pertaining to a particular eligible survivor's death, as reflected on Exhibit "PB1". The motion carried.

There was a motion by Kevin Brolan, seconded by Helen Huey to adopt the report of the Pension Benefits Committee meeting held on Thursday, May 13, 2010. The motion carried.

The Report noted the following: Deferred Retirement Option Plan (DROP) applications to be effective June 1, 2010; Post Retirement Option Plan (PROP) applications to be effective June 1, 2010; an application for disability benefits under Sections 6(c) and 6(d), of the statute as shown on "PB3 (1)", was approved with a follow-up evaluation in one year. An application for disability benefits under Section 6(c) of the Statute as shown on "PB3"(2), was approved with a follow-up evaluation in one year. An application for disability benefits under Sections 6(c) and 6(d) of the Statute as shown on "PB3"(3), was approved with a follow-up evaluation in one year. Exhibit "PB4" regarding an application for a Deferred Retirement was approved.

Exhibit "PB5" regarding an application for Prior Service Credit under Section 16 of the Statute was approved contingent upon the receipt of all required City of Houston contributions. The motion carried.

The Chair noted Deferred Retirement Option Plan (DROP) information effective June, 1, 2010.

There was a motion by Harold W. McDonald, seconded by Kevin Brolan to adopt the minutes of the Personnel and Procedures Committee meeting held on Thursday, April 15, 2010. The motion carried.

There was a motion by Dr. Robert Stobaugh, seconded by Harold W. McDonald to adopt the minutes of the Personnel and Procedures Committee meeting held on Thursday, May 13, 2010. The motion carried.

There was a motion by Kevin Brolan, seconded by Gary M. Vincent to adopt the minutes of the Investment Committee meeting held on Thursday, May 13, 2010. The motion carried.

There was a motion by Albertino Mays, seconded by Gary M. Vincent to adopt the report of the Budget and Audit Committee meeting held on Thursday, May 13, 2010. The motion carried.

There was a motion by Harold W. McDonald, seconded by Kevin Brolan to discuss agenda item number 14, "*Mayor's requests to the Fund on possible plan revisions and funding*" before agenda item number 13, "*Request from Retirement Horizons Incorporated, the City's actuary, for actuarial clarification and additional information.*" The motion carried.

The Chief Legal Officer introduced Chuck Campbell of the law firm Jackson Walker L.L.P. The Chair then announced that the Board was going into closed session pursuant to Government Code Section 551.071 to receive confidential advice of legal counsel.

The Board went into closed session at 10:15 a.m.

The Board resumed open session at 10:46 a.m.

The Board Chair requested staff prepare correspondence in response to the Mayor on the City's request on plan funding noting the Board's decision not to adopt the July 1, 2009 actuarial valuation for the purposes of lowering the City's contribution rate. The Board then noted the Mayor's second request to "*Work with the Administration to revise the benefit plan for the firefighters,*" would be a subject of continued discussion.

The Board discussed a request from Retirement Horizons Incorporated (RHI), the City's actuary, to the Board, for clarification and additional information on certain actuarial cost methods and Fund member data. The Executive Director/Chief Investment Officer discussed the response from the Fund's Actuary about RHI's request. There was a motion by Ted Downing, seconded by Harold W. McDonald to re-submit the proposed agreement for confidentiality of member information between the Fund and RHI with a copy to the Mayor and that RHI/City cooperation, through the offered agreement, was needed prior to providing the clarifications. The motion carried, with Craig T. Mason opposed.

The Chief Legal Officer discussed the status of a Trustee promoted or appointed from his elected classification noting that if a trustee is elected to a position on the Board there is no literal language in the Fund's Statute that would prevent the Trustee from remaining in any position until the end of the elected term.

There was a motion by Harold W. McDonald, seconded by Dr. Robert Stobaugh to accept the invitation extended to Ryan Splawn to attend the BlackRock Alternative Advisors' 2010 Absolute Return Strategies Investor Conference to be held on June 2-4, 2010 in Seattle, Washington with hotel to be provided courtesy of BlackRock. The motion carried.

The Board reviewed the monthly reports of the Chair, Executive Director, Chief Legal Officer and the Deputy Director of Member Services.

The following items were noted for a future agenda:

Ted Downing requested discussion about the second request in Mayor Parker's March 26, 2010 letter asking the Fund to "*Work with the Administration to revise the benefit plan for the firefighters.*"

Gary M. Vincent requested research and possible creation of a beneficiary designation form to be placed in a retiree's file designating an individual to receive the pro-rated pension benefit amount for the month of death.

Kevin Brolan requested discussion about expanding the Budget and Audit Committee to include an additional trustee.

There being no further business, the meeting adjourned at 11:37 a.m., on a motion by Harold W. McDonald, seconded by Kevin Brolan. The motion carried.

Respectfully submitted,

Ted Downing
Secretary