

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, November 17, 2011, at 10:02 a.m.

Trustees present were Todd E. Clark (Chair), Ted Downing (Vice Chair), Harold W. McDonald (Secretary), Kevin Brolan, Gary M. Vincent, Francis "Frank" X. Maher, Craig T. Mason, Fred S. Robertson and Albertino Mays. Trustee absent was Helen Huey. 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 10:02 a.m.

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

There was a motion by Albertino Mays, seconded by Kevin Brolan, to accept the following: The minutes of the regular Board meeting held on October 20, 2011; The reports of the Pension Benefits Committee meetings held on October 26, 2011 and November 10, 2011; The Report of the Budget and Audit Committee meeting held on October 20, 2011; and The minutes of the Investment Committee meeting held on November 10, 2011. The motion carried.

The report of the Pension Benefits Committee meeting held on October 26, 2011 noted the following: The Committee's review of disability definitions, policies and procedures, and for continued discussion at a subsequent meeting.

The report of the Pension Benefits Committee meeting held on November 10, 2011 noted the following: Approval of three Deferred Retirement Option Plan (DROP) applications, to be effective December 1, 2011; approval of six Post Retirement Option Plan (PROP) applications, to be effective December 1, 2011; An application for General On-Duty Disability benefits under Sections 6(c) and 6(d) of Article 6243e.2(1) as shown on "PB3" (1), was approved with a re-examination in one year; An application for General On-Duty Disability benefits under Sections 6(c) and 6(d) of Article 6243e.2(1), as shown on "PB3" (2), was approved with a re-examination in one year; An application for General On-Duty Disability benefits under Sections 6(c) and 6(d) of Article 6243e.2(1), as shown on "PB3" (3), was approved with a re-examination in one year; Continuation of a general on-duty disability benefit under Section 6(c), as shown on Exhibit "PB4" (1), was approved, with no further re-examinations required at this time; Continuation of a general on-duty disability benefit under Section 6(c) was approved, with no further re-examinations required at this time; and Exhibit "PB4" (3) was deferred for a future meeting, pending receipt of additional information.

Lee James and Carly Nichols, actuaries with Buck Consultants, LLC, discussed the key components of the Fund's Preliminary July 1, 2011 Actuarial Valuation Report and reviewed the results of the data reported. They then responded to Trustees' questions. There was a motion by Craig T. Mason, seconded by Ted Downing to adopt the July 1, 2011 Preliminary Actuarial Valuation Report as presented, but not for the purposes of certifying a new rate to the City. The motion carried.

There was a motion by Harold W. McDonald, seconded by Fred S. Robertson to take agenda item number 12, "*Update on the City of Houston Long-Range Financial Planning Task Force*" out of order. The motion carried.

The Chair gave an update on his attendance to the City of Houston Long-Range Financial Planning Task Force meetings noting a presentation given by Craig T. Mason at the meeting held on November 7, 2011. Mr. Mason, Lee James and Carly Nichols responded to Trustees' questions and remarks about information provided and included in Mr. Mason's presentation to the task force. The Chair asked Mr. Mason to provide to the Board a copy of the compensation study conducted by Mercer Consultants, which had been referenced in his presentation. The Chair noted the scheduled dates of future task force meetings.

The Chair announced that the Board was going into closed session pursuant to Government Code Section 551.071 to receive confidential advice of legal counsel regarding an assignment of a judgment for the Fund in a collections matter.

The Board went into closed session at 10:47 a.m.

The Board resumed open session at 11:05 a.m.

There was a motion by Harold W. McDonald, seconded by Ted Downing, to assign the judgment of the Texas courts in August 2008, against a debtor, as designated by the Fund's legal department, to advance the collection on the judgment under terms negotiated by the Fund's legal department. The motion carried, with Kevin Brolan opposed.

The Chair announced that the Board was going into closed session pursuant to Government Code Section 551.071 to receive confidential advice of legal counsel about litigation arising from an application for a survivor benefit.

The Board went into closed session at 11:14 a.m.

Craig T. Mason exited the meeting at 11:35 a.m.

The Board resumed open session at 11:41 a.m.

There was a motion by Gary M. Vincent, seconded by Harold W. McDonald, to allow the legal department to take all actions deemed appropriate to defend the Fund with respect to the subject matters of the agenda item. The motion carried.

The Chair gave an overview of his attendance at the NCPERS Public Safety Employees Pension & Benefits Conference held Sunday, October 9, 2011 - Wednesday, October 12, 2011, in Rancho Mirage, CA.

The Board reviewed the monthly reports of the Chair, Executive Director, Chief Legal Officer and the Deputy Director of Member Services. The Chair noted the receipt of a letter of interest and a resume from two qualified voting citizens who have expressed interest in serving on the Board. He then noted the Citizen Member Trustee position on the Board, to be vacated by Helen Huey, will be appointed by the elected members of the Board at the December 2011 regular meeting.

The following item(s) were noted for a future agenda:

Gary M. Vincent requested the Executive Director to make a presentation to the Houston Professional Fire Fighters Association – Local 341 Board of Directors about the funding status of the plan.

Ted Downing requested discussion concerning the Fund's preparation for the 2013 Texas legislative session.

Kevin Brolan requested discussion concerning the impact of an elected Board firefighter member being appointed to an Assistant Chief in the HFD, serving on the Board.

There being no further business, the meeting adjourned at 11:55 a.m., on a motion by Kevin Brolan, seconded by Ted Downing. The motion carried.

Respectfully submitted,

Harold W. McDonald