

MINUTES OF THE HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

A special meeting of the Houston Firefighters' Relief and Retirement Fund (HFRRF) Board of Trustees convened at the Fund offices at 4225 Interwood North Parkway on Friday, March 19, 2010, at 12:30 p.m.

Trustees present were Todd E. Clark (Chair), Harold W. McDonald (Vice Chair), Ted Downing (Secretary), Gary M. Vincent, Francis "Frank" X. Maher, Craig T. Mason, Dr. Robert Stobaugh, Albertino Mays, and the Honorable Helen Huey. Trustee absent was Kevin Brolan. 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 12:30 p.m.

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

The Chair invited comments from the public.

David McBroom requested that the Board assess the impact should the City of Houston implement a defined contribution plan for new hires.

John Koon expressed his concerns about news stories or editorials on pension plans, particularly pension obligation bonds and requested a response as to the accuracy of the information in the news stories or editorials.

The Chair reminded the Board of the HFD Annual Memorial Ceremony to be held on the Fund grounds in the Memorial Garden on Saturday, March 20, 2010 beginning at 10:00 a.m.

There was a motion by Harold W. McDonald seconded by Francis (Frank) X. Maher to take a recess at 12:39 p.m. until the arrival of the City of Houston's Mayor, Annise D. Parker. The motion carried.

The meeting reconvened at 1:05 p.m.

Houston Mayor, Annise D. Parker entered the meeting and was welcomed by the Chair who expressed appreciation to the Mayor for her willingness to discuss her ideas concerning the Houston Firefighters' Relief and Retirement Fund (the Plan) with the entire Board of Trustees. The Chair then introduced Trustees present and Fund management personnel.

The Executive Director/Chief Investment Officer gave an overview of the current State of the Fund. The Mayor applauded the Executive Director/Chief Investment Officer on the Fund's outstanding portfolio returns.

The Mayor expressed her views regarding the State of the Fund noting the issues she faces in working through a financially challenging budget.

The Honorable Helen Huey requested that any requests or proposals of the City or Mayor to the Board of Trustees be submitted in writing to the Board and signed by the Mayor. The Mayor agreed.

Frank Maher asked about the increase in health insurance premiums for retirees. The Mayor commented on the premiums for health insurance for retirees noting the rate to be a reflection of the actual premium cost for the relevant group. She then encouraged Francis (Frank) X. Maher, a Trustee and a member of the Health Benefits Advisory Committee, to meet with her to talk more about retiree health insurance and its cost to the retirees and the City.

Ted Downing appealed for discussion on the City's plan moving beyond FY 2012 to the Plan. The Mayor stated that unless there is a total breakdown in the Houston region, the Houston economy is projected to rebound. She then discussed the City's current budget shortfall and stated that there are no plans to change the benefit structure of the Plan.

Gary M. Vincent addressed the Fund's historical relationship with the City and the circumstances surrounding the Board's certification of the Fund's contribution rate of 29.4 percent of payroll to the City.

The Mayor recognized the fiduciary responsibility of the Board to the Plan and commented on how she is looking forward to maintaining open dialogue with the Board noting her willingness to balance the needs of both the Plan and the City. She then introduced from the City of Houston, Mr. Adam L. Harris, Deputy Chief of Staff and Ms. Michelle Mitchell, Director of Finance.

The Chair expressed appreciation to the Mayor for her willingness to discuss her views regarding the state of the Fund and her ideas about the Plan's future. He then stated that the HFRRF and Board of Trustees would like to maintain a good working relationship with the City of Houston and thanked her for coming.

The following items were noted for a future agenda:

Todd Clark requested further discussion about the March 19, 2010 Special Board meeting.

Francis (Frank) X. Maher requested that the minutes for the Special Board meeting be distributed as soon as possible to the membership.

There being no further business, the meeting adjourned at 1:45 p.m. on a motion by Gary M. Vincent, seconded by Harold W. McDonald. The motion carried.

Respectfully submitted,

Ted Downing
Secretary