

MINUTES OF THE HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

A regular meeting of the Houston Firefighters' Relief and Retirement Fund (HFRRF) Board of Trustees as authorized under sections 551.125 & 551.127 of the Texas Government Code and in accordance with the order of Governor Greg Abbott on March 16, 2020 suspending certain requirements of the Open Meetings Act, convened via a telephone/video conference on Tuesday, April 21, 2020 at 10:02 a.m.

Trustees present were Brett R. Besselman (Chair), Stephen R. Whitehead (Vice Chair), Lisa R. Slagle (Secretary), Gerard L. Daniels, Pete Ng, David O. Lantrip, Arif Rasheed (City Treasurer Designee), Earnest W. Wotring (Mayor's Representative), and Albertino "Al" Mays (Citizen Member). Trustee absent was David Riegor. Others present were David Driscoll, Michael Ribble, and Salvador Nakar, representatives from Buck and staff members Ralph D. Marsh (Executive Director), Ajit Singh (Chief Investment Officer), Claudia McInnis (Director of Finance and Administration), Dalia "Dolly" De La Cruz (Director of Member Services), Andrea Sharayha (Director of Human Resources), John D. Moore II (Director of Technology & Building Services), Adam E. Smith (Acting General Counsel), and Ryan Splawn (Senior Investment Analyst).

The Chair called the meeting to order at 10:02 a.m.

The Chair invited comments from the public. No comments were received.

There was a motion by David O. Lantrip, seconded by Lisa R. Slagle, to approve the minutes of the regular Board meeting held on Tuesday, February 18, 2020. The motion carried.

There was a motion by David O. Lantrip, seconded by Albertino "Al" Mays, to approve the following items listed on the Consent Agenda:

- a. Report of the Pension Benefits Committee meeting held on Tuesday, February 18, 2020.
- b. Minutes of the Investment Committee meeting held on Tuesday, February 18, 2020.
- c. Report of Budget and Audit Committee meeting held on Tuesday, February 18, 2020.

The motion carried.

The report of Pension Benefits Committee meeting held on Tuesday, February 18, 2020 noted the following: Approval of the Deferred Retirement Option Plan (DROP) application(s) effective March 1, 2020; approval of an application for survivor disability benefits pursuant to Sections 6(c), 6(d) and 7 of the Statute as shown on Member Services Report (1); noted survivor(s) receiving benefits, member(s) exiting the DROP, and member(s) receiving refund of contributions as of February 18, 2020.

The Executive Director explained how and why the 2020 Actuarial Experience Study is being developed and its projected completion date.

Michael Ribble, David Driscoll, and Salvador Nakar then introduced themselves and provided each of their backgrounds.

Michael Ribble from Buck presented the scope and purpose of the substantially completed 2020 Actuarial Experience Study explaining the demographic, economic, and mortality assumptions, its impact on the proposed recommended changes taking into account the provisions of SB 2190.

Michael Ribble, David Driscoll, and Salvador Nakar departed the meeting at 11: 29 a.m.

The Board reviewed the Deferred Retirement Option Plan (DROP) applications effective April 1 and May 1, 2020. There was a motion by Lisa R. Slagle, seconded by Pete Ng, to approve the Deferred Retirement Option Plan (DROP) applications effective April 1 and May 1, 2020, as presented. The motion carried.

The Board reviewed the application(s) for membership into the Fund. There was a motion by David O. Lantrip, seconded by Stephen R. Whitehead, to approve the application(s) for membership into the Fund. The motion carried.

The Director of Member Services discussed the April 30, 2020 deadline for submission of the 2019 tax returns from members receiving general disability benefits.

There was a motion by Lisa R. Slagle, seconded by Gerard L. Daniels, to make an exception to the Fund's policy and extend the deadline to July 30, 2020 for submission of the 2019 tax returns from members receiving general disability benefits in light of the extension of filing of the federal income tax return deadline to July 15, 2020 due to the Covid-19 pandemic. The motion carried.

The Chief Investment Officer reviewed the Allocation and Activity Summary and noted the estimated market value of the Fund's assets as of February 29, 2020 to be \$4.201 billion.

The Chief Investment Officer reviewed the Private Equity and Real Estate commitment targets for Fiscal Year 2020.

The Chief Investment Officer presented a proposed offer to sell HFRRF's LP interest in the Brookfield Strategic Real Estate Partners II-B LP (BSREP II). After explaining the scope of the proposed offer, there was a motion by Lisa R. Slagle, seconded by Stephen R. Whitehead, to allow the Chief Investment Officer to negotiate the terms of the sale of the HFRRF LP interest in the Brookfield Strategic Real Estate Partners II-B LP (BSREP II) and report back to the Board before completing the sale. The motion carried.

The Chief Investment Officer made a presentation on Covid-19 and its impact on the Fund's investments. He presented historical information about recessions from 1927-present and commented on the Fund's portfolio as of March 31, 2020. He showed a comparison of the projected consumer activity recovery which varies depending on the reopening of business activity.

The Chief Investment Officer reviewed the monthly investment actions taken.

The Executive Director gave an update on the Fund's Operations. He stated that in compliance with the "Stay-Home" orders issued due to the spread of the Covid-19 pandemic, the Fund complex has been closed since March 25, 2020 and will remain closed until further notice. He commended his management team who has been diligently working towards normalcy of Fund operations by continuing to function remotely to handle critical tasks and in some cases having staff report physically to work on tasks that cannot be done remotely.

Arif Rasheed departed the meeting at 12:20 p.m.

The Executive Director continued to report that Member Services staff have had virtual meetings with members to ensure them that their needs are met especially during these challenging times. He also reported that the Retiree Barbecue scheduled for May 7, 2020 has been canceled.

The Acting General Counsel provided updates on the Fund lawsuits against the City of Houston and City officials related to Senate Bill 2190 in the 85th Texas legislature and on the appeal of a disability determination.

The following topics were brought up under items for a future agenda:

Lisa R. Slagle asked that a Personnel and Procedures Committee meeting be scheduled to review the Fund's policies and procedures manual once face to face meetings are permitted again.

The Chief Investment Officer commented that the Fund has no liquidity issues and can meet obligations when required.

There being no further business, the meeting adjourned at 12:36 p.m., on a motion by David O. Lantrip, seconded by Gerard L. Daniels. The motion carried.

Respectfully submitted,

Lisa R. Slagle
Board Secretary