

## **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, last extended on June 12, 2020, suspending certain requirements of the Open Meetings Act, convened via a telephone/video conference on Tuesday, June 16, 2020 at 10:04 a.m.

Trustees present were Brett R. Besselman (Chair), Stephen R. Whitehead (Vice Chair), Lisa R. Slagle (Secretary), Gerard L. Daniels, Pete Ng, David Riegor, David O. Lantrip, Arif Rasheed (City Treasurer Designee), ), and Earnest W. Wotring (Mayor's Representative. Trustee absent was Albertino "Al" Mays (Citizen Member). Also present were 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 10:04 a.m.

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

There was a motion by Lisa R. Slagle, seconded by David O. Lantrip, to approve the minutes of the regular Board meeting held on Tuesday, May 19, 2020. The motion carried.

The Chair presented the governmental relations contracts with Cornerstone Government Affairs, Inc. and One World Strategy Group, LLC.

There was a motion by David O. Lantrip, seconded by Gerard L. Daniels, to accept the government relations contracts with Cornerstone Government Affairs, Inc. and One World Strategy Group, LLC., as presented. The motion carried.

The Director of Finance and Administration reviewed the Fund's consolidated financials and highlights for the 3rd fiscal quarter ending March 31, 2020, noting the Plan's Net Position at approximately \$3.900 billion. The Executive Director then gave an overview of Investment/Professional/Administrative expenses, contribution rates, DROP/PROP distributions, and refund of contributions for Fiscal Year 2020 through March 31, 2020 compared to previous fiscal years.

David Riegor entered the meeting at 10:15 a.m.

The Board reviewed the Deferred Retirement Option Plan (DROP) applications effective July 1, 2020.

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

The Director of Member Services discussed the quarterly DROP/PROP statements. She explained that the Fund's current policy calls for the Fund to provide each of the DROP and PROP participants with a quarterly balance statement of their DROP and PROP accounts. The practice has been to send these statements via mail. She recommended stopping the mailing method to save on cost and instead continue to guide the members to their personal data that is available on-line via their MemberDirect Account. If a member is either unable to get their information on-line or prefers a statement be sent to them, Fund staff will send the member the requested information via email or mail. The Board agreed with the recommendation and suggested that this information be disseminated to the Fund members via the Redline newsletter or through Constant Contact.

The Chief Investment Officer (CIO) presented an overview of the proposed investment with Blackstone Core Equity Partners II.

There was a motion by Stephen R. Whitehead, seconded by David Riegler, to authorize the CIO to commit up to \$30 million in Blackstone Core Equity II (BCEP II), a private equity partnership, pending final diligence and contract discussions and negotiations between HFRRF and Blackstone. The motion carried.

The Senior Investment Analyst (SIA) presented an overview of the proposed termination of the Fund's investment in the Bridgewater Associates' Pure Alpha portfolio.

There was a motion by Lisa R. Slagle, seconded by Earnest W. Wotring, to authorize the CIO to terminate the Fund's investment in the Bridgewater Associates' Pure Alpha Fund I portfolio and transfer the assets to the Fund's existing investment in the Bridgewater Associates' All Weather portfolio. The motion carried.

The CIO reviewed the Allocation and Activity Summary and noted the market value of the Fund's assets as of April 30, 2020 to be approximately \$4.069 billion with an estimated rate of return of .68%.

The CIO reviewed the Private Equity and Real Estate commitment targets as of Fiscal Year 2020.

The CIO reviewed the monthly investment actions taken.

The Acting General Counsel, in accordance with Fund policies, reported that the affidavits relating to Ethics Disclosures for calendar year 2019 were received from Fund's Trustees, Staff, and Fiduciary Investment Managers.

The Acting General Counsel provided updates on the Fund's 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.

There being no further business, the meeting adjourned at 11:14 a.m., on a motion by David O. Lantrip, seconded by Gerard L. Daniels. The motion carried.

Respectfully submitted,

Lisa R. Slagle  
Board Secretary