

MINUTES OF THE HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

A meeting of the Houston Firefighters' Relief and Retirement Fund (HFRRF) Board of Trustees convened at the Fund offices at 4225 Interwood North Parkway, Houston, Texas 77032 on Tuesday, June 19, 2018 at 11:21 A.M.

Trustees present were David L. Keller, Jr., (Chair), Stephen R. Whitehead (Vice Chair), Francis "Frank" X. Maher (Secretary), Garry W. Blackmon, Sr., Juliet N. Higgins, Brett R. Besselman (Chair-elect), Earnest Wotring, Albertino "Al" Mays, Lisa R. Slagle and Arif Rasheed. Others present were staff members Ralph D. Marsh (Executive Director), Jonathan W. Needle (Chief Legal Officer) and Ajit Singh (Chief Investment Officer).

The Chair called the meeting to order at 11:21 A.M.

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

Retired Fund Member David Lantrip commended Chairman David L. Keller, Jr., for a job well done and suggested the Board entertain recommending a stipend much like the Houston Professional Fire Fighters Association, IAFF Local 341 to be paid to the Chair for the necessities in holding the office of the chair.

Retired Fund Member Steve Williams echoed the statements of Mr. Lantrip adding that he had great respect for the Board.

There was a motion by Garry W. Blackmon, Sr., seconded by Lisa R. Slagle to allow the chair to remain in office until June 30, 2018 immediately following the election of a new chair under its statutory powers to manage the fund according to Article 6243e.2(1) ("the Statute"), including the power to adopt rules, policies and procedures not inconsistent with the statute, to interpret and construe the statute, to correct any defect, supply any omission and reconcile any inconsistency in the statute to the extent the Board considers expedient to administer the statute for the greatest benefit of all members; and to determine all questions, whether legal or factual, relating to the administration of the fund to promote the uniform administration of the fund for the benefit of all members, in accordance with the statute, sections 2(p)(1), 2(p)(2), 2(p)(3) and 2(p)(5): the Board hereby determines that, under section 2(h) of the Statute, and taking into consideration Board and Committee Procedures section 6.04 as in existence on the date of this motion, if a Board officer resigns from his or her position as a Board officer, prior to the beginning of a new calendar year and prior to vacating such office, the Board shall, as soon as practicable under the circumstances, elect a successor officer who will fill the office upon the office becoming vacant. The motion carried.

The chair called for nominations for the Chairman of the Board for the remainder of calendar year 2018 beginning July 1, 2018. There was a nomination by Stephen R. Whitehead, seconded by Francis "Frank" X. Maher, of Juliet N. Higgins, to serve as the Chairman of the Board for the remainder of the 2018 calendar year. There was a nomination by Garry W. Blackmon, Sr., seconded by Lisa R. Slagle, of Brett R. Besselman, to serve as the Chairman of the Board for the remainder of the 2018 calendar year. There were no other nominations.

The chair called for a vote. There was a vote by Stephen R. Whitehead, Francis "Frank" X. Maher, Juliet N. Higgins, Arif Rasheed and Earnest Wotring for Juliet N. Higgins. There was a vote by David L. Keller, Jr., Brett R. Besselman, Garry W. Blackmon, Sr., Albertino "Al" Mays, and Lisa Slagle for Brett R. Besselman. The chair announced that the vote was a tie vote and that the members would keep voting until someone received a majority vote

Albertino Mays requested comments from Juliet N. Higgins and Brett R. Besselman on their concept of the Chairmanship. Both commented on their focus for the role. The Chair requested the two candidates depart the meeting for supplemental Board discussion.

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Besselman and Higgins exited the meeting at 11:45 A.M.

Besselman and Higgins re-entered the meeting at 12:20 P.M.

The Chair called for a recess at 12:21 PM; and the meeting resumed at 12:30 P.M.

The Chair called for a second vote by written ballot. The Executive Director and the Board Administrator were the appointed tellers to tally the written ballot vote and report to the chair the numbers. There was a write-in vote by Stephen R. Whitehead, Francis "Frank" X. Maher, Juliet N. Higgins, Arif Rasheed and Earnest Wotring for Juliet N. Higgins. There was a write-in vote by David L. Keller, Jr., Brett R. Besselman, Garry W. Blackmon, Sr., Albertino "Al" Mays, and Lisa R. Slagle for Brett R. Besselman. The Chair announced that the vote was again, a tie vote, and that the members would keep voting until someone received a majority vote.

Stephen R. Whitehead announced a change to his submitted vote for the chair.

The Chair then called for a third vote. There was a vote by Francis "Frank" X. Maher, Juliet N. Higgins, Arif Rasheed and Earnest Wotring for Juliet N. Higgins. There was a vote by David L. Keller, Jr., Brett R. Besselman, Garry W. Blackmon, Sr., Albertino "Al" Mays, Stephen R. Whitehead, and Lisa R. Slagle for Brett R. Besselman. Brett R. Besselman was elected as the new Chair for the remainder of calendar year 2018, beginning July 1, 2018. The motion carried.

The Board meeting recessed at 12:49 P.M., and the meeting resumed at 12:59 P.M.

There was a motion by Garry W. Blackmon, Sr., seconded by Juliet N. Higgins, for approval of the Minutes of the regular monthly Board of Trustees meeting held on Tuesday, May 15, 2018. The motion carried.

There was a motion by Lisa R. Slagle, seconded by Juliet N. Higgins, for approval of the Minutes of the Special Board of Trustees meeting held on Tuesday, May 22, 2018. The motion carried.

There was a motion by Albertino Mays, seconded by Lisa R. Slagle, to approve the following items listed on the Consent Agenda:

- a) Report of the Pension Benefits Committee meeting held on Tuesday, May 15, 2018.
- b) Minutes of the Investment Committee meeting held on Tuesday, May 15, 2018.
- c) Report of the Budget and Audit Committee meeting held on Tuesday, May 15, 2018.
- d) Minutes of the Personnel and Procedures Committee meeting held on Tuesday, May 15, 2018.
- e) Acceptance of complimentary registration for Stephen R. Whitehead to attend the Opal Group "Public Funds Summit East 2018" on July 16-18, 2018 in Newport, RI, in the interest of the Fund.

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The motion carried.

The meeting of the Pension Benefits Committee held on May 15, 2018 noted the following: Approval of 8 Deferred Retirement Option Plan (DROP) applications to be effective June 1, 2018; approval of an application for survivor benefits under Sections 6(c), 6(d) and 7 of the Statute based on the member's physician report and the advisory physician report;; to advise the non-complying members and beneficiaries by certified mail that they have 45 days to submit tax information; and further, if the documents are not submitted within the 45 days from receipt of the certified letter, the pension benefits will be suspended with the July 2018 payment until they come into compliance.

The executive director reviewed the March 31, 2018 Quarterly Financial Statements noting Fund plan net assets of US\$4.170B.

There was a motion by Brett R. Besselman, seconded by Lisa R. Slagle, approving the Fund's fiscal year 2019 operating budget as presented. The motion carried.

David L. Keller, Jr., Stephen R. Whitehead, Juliet N. Higgins and Lisa R. Slagle reported on their attendance at the 2018 NCPERS Annual Conference & Exhibition (ACE) and Accredited Fiduciary (NAF) Program Modules 1 & 2, and 3 & 4 in New York, NY.

The Chair reported on recent proposal and revisions to the Social Security Windfall Elimination Provision (WEP) noting a meeting held on May 31, 2018 in Washington, DC with bi-partisan staff of the House Ways and Means Committee's Subcommittee on Social Security on behalf of HFRRF. Chairman Keller noted staff outlined a new WEP proposal; which Chairman Kevin Brady (R-TX) and Senior Democrat Richard Neal (D-MA) intend to introduce as new legislation after they gather input from stakeholders. The Chair noted hearings to be held and a markup before the end of June /July and that the core of the proposal is a proportional formula based on each worker's actual work history. Keller noted that the details on the new WEP proposal are not yet finalized and stated that he has offered to host Chairman Brady at HFRRF's building when the new proposal is publicly unveiled.

The Chief Legal Officer gave his Chief Legal Officer's report and his quarterly litigation report, updating the Board on the Fund's litigation against the City relating to Senate Bill 2190.

The Chair discussed recent communications relating to the Houston Professional Fire Fighters Association (HPFFA).

There being no further business, the meeting adjourned at 1:32 P.M., on a motion by Garry W. Blackmon, Sr., seconded by Juliet N. Higgins. The motion carried.

Respectfully submitted,

Francis "Frank" X. Maher
Secretary