

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, March 20, 2018, at 10:15 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, Arif Rasheed, Earnest Wotring and Lisa R. Slagle. Trustee absent was Albertino "Al" Mays, 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 10:15 a.m.

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

Retired Fund Member Nick Salem encouraged the Board to consider an option for retirees to deduct Houston Retired Firefighters Association (*HRFA*) dues from their retirement distributions. He expressed concern about the direction of the next Texas legislature.

There was a motion by Garry W. Blackmon, Sr., seconded by Stephen R. Whitehead, approving the minutes of the Board meeting held on Tuesday, February 20, 2018. The motion carried.

There was a motion by Lisa R. Slagle, seconded by Juliet N. Higgins, approving the minutes of the special Board meeting held on Tuesday, March 13, 2018. The motion carried.

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

- a. Report of the Pension Benefits Committee meeting held on Tuesday, February 20, 2018.
- b. Report of the Personnel and Procedures Committee meeting held on Tuesday, February 20, 2018
- c. Minutes of the Investment Committee meeting held on Tuesday, February 20, 2018.
- d. Report of the Budget and Audit Committee meeting held on Tuesday, February 20, 2018.
- e. Approval of revisions to the Pension Benefits Policy on acceptance of "Trust Documents" (as recommended by the Pension Benefits Committee).
- f. Restoration of credit card privileges as recommended by the Budget and Audit Committee on Tuesday, March 20, 2018.
- g. Acceptance of 1 night lodging, airfare and other transportation expenses as applicable to be paid or reimbursed by Blackrock for Ajit Singh (CIO) to attend a one day session on risk factors allocation with other industry experts to be held on April 2, 2018 in New York, NY in the interest of the Fund.

The motion carried.

The Pension Benefits Committee Report dated February 20, 2018 noted the following: Denial of an application for disability benefits under Section 6(b) of the Statute as shown on Member Services Report (1); Approval of an application for disability benefits under Section 6(b) of the Statute as shown on Member Services Report (2); Approval of an application for service retirement as shown on Member Services Report (3) and Member Services Report (4); and approval of an application for membership into the Fund as shown on Member Services Report (5).

The Director of Finance and Administration reviewed HFRRF's December 31, 2017 *Quarterly Consolidated Financial Statements* noting plan net assets of US\$4.237 billion.

The item "*Public Relations Agreement*" was postponed for a future meeting.

The Chief Legal Officer discussed a recent federal court's dismissal of a lawsuit filed by retired Dallas public safety officers concerning the Dallas Police & Fire Pension board's decision to not permit lump-sum withdrawals from their Deferred Retirement Option Plan (DROP) and the subsequent annuitization of DROP accounts under HB 3158 of the 2017 legislature. The Chair noted that the Dallas Police and Fire Pension System's lawsuit dismissal does not have any bearing on HFRRF and the HFRRF plan's DROP distribution options have not been altered.

There was a motion by Stephen R. Whitehead, seconded by Juliet N. Higgins, acknowledging that the Board does not regard *DLA Piper, LLP's* disclosure of a particular representation matter regarding another client as a bar to its representation of the Fund as such matter appears immaterial to Fund interests. The board does not regard its position as a waiver of any formal conflicts as may be determined in the future by DLA Piper, LLP or this Board. The motion carried.

The Board noted a State Affairs Committee meeting of the Texas Senate to be held on April 4, 2018 at 10:00 a.m., in the Texas Senate chamber with SB 2190 on the agenda. The Chair reminded the trustees of the Board's ad hoc committee on state level pension matters. The Executive Director noted discussions of the Texas Pension Review Board (PRB) at its March 1, 2018 meeting and an upcoming Actuarial Committee of the PRB scheduled for Wednesday, April 24, 2018.

The Chief Legal Officer provided an update on the Fund's litigation against the City of Houston (the City) relating to Senate Bill 2190 in the 85th Texas legislature.

The Chief Legal Officer provided an update on the City's litigation against the Fund's former actuarial firm.

There being no further business, the meeting adjourned at 11:06 a.m. on a motion by Garry W. Blackmon, Sr., seconded by Francis "Frank" X. Maher. The motion carried.

Respectfully submitted,

Francis "Frank" X. Maher
Secretary