

MINUTES OF THE
FIRE FIGHTERS' RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES
AUSTIN, TEXAS

The regular meeting convened at the pension office at 4101 Parkstone Heights Drive, Suite 270, Austin, Texas, on May 23, 2019 at 9:00 a.m., with the following present:

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| Keith Johnson | Vice-Chair | Chuck Campbell | Selena Xie |
| Belinda Weaver | Treasurer | Leo Festino | |
| Jeremy Burke | Trustee | Aaron Lally | |
| Brad Landi | Trustee | Donald Lowe | |
| Bill Stefka | Administrator | Tommy Rutledge | |
| Premal Amin | Adm. Asst. | Jan Wesson | |

Public Comment

Vice Chair Keith Johnson called the meeting to order and asked if anyone had signed up for public commentary. There being no one signed up for commentary, Mr. Johnson went on to the first agenda item.

Minutes of the regular meeting held April 22, 2019 were reviewed by the Board. Jeremy Burke noted some minor spelling errors in the minutes that needed to be addressed. Subject to those corrections noted, a motion was made by Jeremy Burke to approve the minutes of the regular meeting held April 22, 2019. With a second from Brad Landi, the Board unanimously approved.

The second agenda item was approval of retirement benefits for recent applicants. After review of the benefit information, Jeremy Burke made a motion to approve benefits as stated on the benefit calculation form for retirees. With a second from Brad Landi, the Board unanimously approved.

The third item on the agenda was the approval of survivor benefits for recent applicants. After review of the benefit information, Jeremy Burke made a motion to approve benefits as stated on the benefit calculation form. With a second from Brad Landi, the Board unanimously approved.

Agenda item 4 was the Investment Committee discussion including: 1Q19 investment performance review, asset transfer review, operating procedure annual review, and bank loan manager search. Aaron Lally and Leo Festino, with Meketa Investment Group discussed the 1Q19 fund performance. They noted that 1Q19 was completely opposite of 4Q18. All asset classes had positive returns. Mr. Lally noted the Fund had a net return of 5.9% for 1Q19. After 1Q19, absolute returns are better but the short-term peer rankings lagged somewhat because of the strong domestic equity performance in that quarter. Longer term numbers vs. peers remain strong. Looking at the current asset allocation vs targets, all asset classes are within the targeted ranges of our investment policy. Asset transfers for 4Q18 and 1Q19 were next discussed. In 4Q18 Intech was terminated with approximately 25.8mm being realized, while another \$5mm was raised from rebalancing the Baillie Gifford. Those proceeds funded the \$30mm investment with the TT Emerging Markets Equity Fund. The next topic Leo and Aaron discussed was the bank loans manager research which Meketa conducted on behalf of the Fund. They brought their top 4 bank loan manager firms and suggested that we invite 2 finalists to present to the board in the coming months. As of March 31, 2019, the exposure was approximately \$18 million. The four bank loan managers suggested as a possible fit were Octagon Credit, Pacific Asset Management, Sherkman, and THL Credit. Their fees range between 0.40% and 0.55%. After a thorough discussion the Board decided to invite 2 of the firms for presentations at a future meeting. The Board thanked Aaron and Leo for all their work on their presentation. No motion was necessary.

Agenda item 9 was the monthly updates from staff. Premal Amin noted there were no new specific items to bring to the Board's attention at this time. Bill Stefka mentioned the 2018 actuarial and audit reports should be ready for the June meeting and we should have representatives from their firms attending.

Premal Amin next reviewed the April 2019 income statement, balance sheet and general ledger reports. The Board suggested we include additional details regarding cash flows such as distributions and capital calls for each of the applicable accounts within the portfolio. The Board also suggested that staff prepare a preliminary draft of an operating budget for 2020.

The next item taken was an update on procedures and timelines for input, setting, and posting the monthly meeting agendas. After receiving input today, Bill Stefka noted he and Premal will have something prepared for the next meeting. This will include a protocol for setting such agendas. No motion was necessary.

Agenda item 6 was an update on the plan's ethics policy. Today's item was to formally approve the ethics policy with the additions recently made and properly posted for the membership's input per the Fund Rules. A motion was made by Jeremy Burke to approve the revised ethics policy dated March 27, 2019 and which was posted on the website for any membership commentary in keeping with the plan's Fund Rules policy. With a second from Belinda Weaver, the Board unanimously approved.

The next agenda item taken was the draft of the pension employee personnel policy and employee agreement updates as prepared by board trustee Brad Landi. The Board discussed the intended purpose and made some preliminary suggestions and revisions. Upon further discussion, Brad noted he would work on the suggestions offered and come back to the Board with a revised version. No motion was necessary.

Next on the agenda was continuation of the disability policy and procedures review: Designating a medical board for mental disability application reviews was the next item for discussion. There will be a medical board charter which was presented by Chuck Campbell. Mr. Campbell walked through the proposed language and changes that were made as suggested and "red-lined" at the last meeting. The Board also reviewed resumes of three physicians who tentatively agreed to be considered for our plan's mental health medical board as discussed at an earlier meeting. The Board agreed this is a work-in-progress and to be continued. No further action was taken at this time.

The next item was the call for future agenda items and other business. Jeremy Burke noted he will provide information and material he collected from service providers while attending seminars; and which the Board may have an interest in for future presentations. Future items may include: agenda setting procedures, revised personnel policy and employment agreement, and continuation of the disability policy and procedures review. The next 2 pension board meetings were set for **June 17, 2019 and July 16, 2019.**

Jeremy Burke made a motion to adjourn. With a second from Brad Landi, the Board unanimously approved.

BOARD MEMBERS

Mayor Steve Adler, Chair
Keith Johnson, Vice-Chair
Belinda Weaver, Treasurer
Jeremy Burke, Trustee
Brad Landi, Trustee

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