City of Abilene
Firemen’s Relief and Retirement Fund Board Agenda

AMENDED

Notice is hereby given of a meeting of the Firemen's Relief and Retirement Fund Board of the City of Abilene to be held on November 20, 2019, at 10:00 a.m., at City Hall, Finance Conference Room (2nd Floor), 555 Walnut, Abilene, Texas, for the purpose of considering the following agenda items.

CALL TO ORDER

1 Call to Order

PUBLIC COMMENTS

There will be no votes or any formal actions taken on subjects presented during public comment. The public comment period will only allow members of the public to present ideas and information to board members.

AGENDA ITEMS

2 Minutes: Consider acceptance of the October 30, 2019 meeting minutes.

3 Consider acceptance of the October 2019 financial statements.

4 Presentation of real estate manager search by AndCo and possible discussion and action on hiring new money manager for real estate allocation.

5 Discussion and possible action on a Funding Policy and discussion with actuary.

6 Discussion and possible action on overtime, deployment pay and payroll system.

7 Discussion and possible action on plan document and consultation with plan attorney.

8 Consider approval of death benefits to Patsy Smith, wife of deceased firefighter James W. Smith, effective 07/18/19.

9 Consider approval of retirement benefits to Charles M. Sherrill effective October 26, 2019.

10 Consideration and possible action on payment to Wells Fargo for consultant fees for 7/1/19 - 9/30/19 in the amount of $10,098.22.

11 Consideration and possible action on payment to Hund, Krier, Wilkerson & Wright, P.C. for legal services in the amount of $406.25.

12 Consideration and approval of submitted names for upcoming trustee election.

ADJOURNMENT

Notice

In compliance with the Americans with Disabilities Act, the City of Abilene will provide for reasonable accommodations for persons attending meetings. To better serve you, requests should be received forty-eight (48) hours prior to scheduled meetings. Please contact the City Secretary's Office at 325-676-6208. Telecommunication device for the deaf is 325-676-6360.

CERTIFICATION

I hereby certify the above meeting notice was posted on the bulletin board at the City Hall of the City of Abilene, Texas, on the 15th day of November, 2019, at 4:45 p.m.

Shawna Atkinson, City Secretary

MINUTES
FIREMEN'S RELIEF AND RETIREMENT FUND

Public notice having been posted, a meeting of the Board of Trustees of the Abilene Firemen's Relief and Retirement Fund was held on Wednesday, October 30, 2019 at 10:00 a.m. in the Finance Conference Room of City Hall, 555 Walnut, Abilene, Texas.

Board Members Present:	Baker Bryant, Chairman Mike Rains, Secretary/Treasurer Cadon Barrett, Vice-Chairman Jack Rich, Trustee Weldon Hurt, Mayor Appointee
Board Members Absent:	Mike Whalen, Trustee Will McBride, Trustee
Others Present:	Rodney Goodman, Plan Administrator Kelley Messer, Asst. City Attorney Cande Flores, Fire Chief Jess Madison, Firefighter Chuck Galco, Firefighter

1. Chairman Baker Bryant called the meeting to order at 10:01 a.m.

2. Jess Madison spoke to the Board about the 288-hour overtime limit and the issues with the payroll system. Mr. Madison asked the Board if they could delay the implementation of the limit until the payroll system can be fixed or if there were any other options. Mr. Madison asked how the refunds of contributions would be made and if any interest would be paid on the contributions. He also asked about overtime being capped at 288 hours per year.

3. Agenda Items:

   3. A motion was made by Mr. Rich and seconded by Mr. Hurt to accept the September 25, 2019 minutes. Motion passed.

   4. The September 2019 financials were tabled until next month.

   5. Tony Kay with AndCo presented the current portfolio and asset allocation. Mr. Kay talked about some asset classes that the Board may want to look at and possibly make changes to. He discussed the hedge fund, MLP, fixed income and emerging market components. He said the fund could gain some

return by switching to an actively managed emerging markets allocation instead of the passive Vanguard fund. He also said a more cost effective way to achieve diversification could be by using private equity and a global tactical allocation instead of the higher cost hedge funds. He said the MLP has not made the returns that the Board originally hoped it would and a better use of the funds would be an infrastructure fund allocation. He said by combining the current Vanguard S&P 500 fund (.04 basis points) and the Vanguard extended Market fund (.07 basis points) into the Vanguard Total Stock Market Index Fund, the fund would be able to save some money on the fees and still have the same assets. The fee for the Total Stock Market Index fund is .03 basis points. Mr. Kay then presented a revised Investment Policy Statement. After some discussion, the Board agreed with some changes to the Investment Policy and made other changes to the asset allocation. A motion was made by Mr. Rich and seconded by Mr. Barrett to approve the Investment Policy with the revisions that were made. Motion passed. A motion was made by Mr. Rich and seconded by Mr. Barrett to sale the Vanguard S&P 500 and Vanguard Extended Market Index and buy the Vanguard Total Stock Market Index Fund. Motion passed. A motion was made by Mr. Barrett and seconded by Mr. Rich to start divesting the current hedge fund portfolio in the most cost-effective manner. Motion passed. Mr. Kay will send a list of possible real estate options for the next meeting.

8. Mr. Bryant moved to item 8. Mr. Rains said the City is working on a solution with the Lawson payroll system and that more research is being done. The payroll system cannot currently separate out the overtime hours above 288-hours as needed for the pension fund's calculations. Chief Flores talked about instituting a limit on overtime to 264 hours per year. The 264-hour limit would allow for emergency call back of firefighters for an additional 24 hours and hopefully stay below the 288-maximum set in the plan. This would be an administrative decision and not involve the pension fund. Mr. Madison spoke about the limit and if anything could be done to prevent it from going into place. The Board discussed whether the 288-hour limit could be postponed if a solution cannot be found. Mr. Rains said he would know more in the next couple of weeks as to what the HR department would be able to do regarding issuing refunds and manual W-2's by the end of the year. This item was then tabled until the next meeting.

6. The Board discussed the Funding Policy from SB 2224. Drew Ballard with Foster & Foster had a draft copy of a funding policy they are working on for their clients. Mr. Goodman said that Mr. Hanna, the City Manager, would like to see a committee made up of the actuary, City Administration, Finance and Pension Board members to work on the funding policy. A motion was made by Mr. Rich and seconded by Mr. Barrett to form a committee as suggested by Mr. Hanna and have Mr. Hurt, Mr. Rains and Mr. Barrett on the committee. Motion passed.

7. A motion was made by Mr. Barrett and seconded by Mr. Hurt to approve refund of contributions to Eric Barstad who resigned effective October 1, 2019. Motion passed.

9. After discussion, the plan document will be tabled until a solution on the overtime limit can be reached. This item will be tabled until the next meeting.

10. A motion was made by Mr. Rich and seconded by Mr. Barrett to pay TEXPERS annual dues in the amount of $275.89. Motion passed.

11. A motion was made by Mr. Barrett and seconded by Mr. Rich to pay NCPERS annual dues in the amount of $260.00. Motion passed.

12. A motion was made by Mr. Barrett and seconded by Mr. Rich to pay Hund, Krier, Wilkerson and Wright, P.C. for legal services in the amount of $81.25. Motion passed.

13. A motion was made by Mr. Hurt and seconded by Mr. Rains to post notice of nominations and election for position of trustee. Nominations will be sent to Rodney Goodman, Plan Administrator. Nominations are due by November 19, 2019. Voting will be online and run from December 1 – 7, 2019.

There being no further business, the meeting was adjourned at 12:00 p.m.

Mike Rains, Secretary/Treasurer