

Firemen's Relief & Retirement Fund  
January 13, 2020

A regular meeting of the Board of Trustees of the Waxahachie Firemen's Relief and Retirement (FR&R) Fund was held at Waxahachie Fire Station No. 1, 407 Water Street, Waxahachie, Texas on Monday, January 13, 2020 at 8:30 a.m.

Members Present: Gary Myers, Chairman  
Scott Safford, Secretary  
John Tillery  
Lee Statham  
David Hill, Mayor

Members Absent: Matt Dorsey, Vice Chairman  
Charles Harris, Finance Director

Others Present: Lori Cartwright, City Secretary

**1. Call to Order**

Chairman Gary Myers called the meeting to order and welcomed City Secretary Lori Cartwright back.

**2. Public Comments**

None

**3. Canvass votes for FR&R Firefighter Board Member**

Chairman Myers reported his term is expired and Mr. John Rogers nominated Mr. Myers as Chairman of the FR&R Board. He noted there were no other nominees and therefore an election is not required.

**4. Administer Oath of Office to Board Member**

City Secretary Lori Cartwright administered the Oath of Office to Mr. Gary Myers.

**5. Reorganize the Board**

**Action:**

*Mr. John Tillery moved Gary Myers be appointed as Chairman. Scott Safford seconded, **All Ayes.***

*Mr. Lee Statham moved Matt Dorsey be appointed as Vice Chairman. John Tillery seconded, **All Ayes.***

*Mr. Lee Statham moved Scott Safford be appointed as Secretary. Mr. John Tillery seconded, **All Ayes.***

**6. Consent Agenda**

- a. Minutes of the regular Firemen's Relief & Retirement Fund meeting of December 9, 2019
- b. Annuity checks for FR&R Retirees and other disbursements for the month of February 2020

**Action:**

*Mr. John Tillery moved to approve items a. and b. on the Consent Agenda. Mayor David Hill seconded, All Ayes.*

**7. Hear Fourth Quarter Report 2019 from Graystone Consulting and take any necessary action**

Mr. Jim Stoker and Mr. Daniel Sullivan, Graystone Consulting, presented the Fourth Quarter Report for 2019.

Mr. Daniel Sullivan reviewed the Fourth Quarter Capital Markets and Performance update. In summary, for the quarter the fund was up 6.07% after all expenses vs. 5.63% for the benchmark, which amounts to approximately \$1,021,000 in investment gains. Year to date the fund was up 20.16% after all expenses vs. 19.11% for the benchmark, which amounts to approximately \$3,001,000 in investment gains. Since inception on 3/31/2004, the fund has returned 7.03% after all expenses vs. 6.46% for the benchmark, which amounts to approximately \$9,080,000 in investment gains. Mr. Sullivan presented a proposed portfolio rebalancing with two scenarios. The Board opted to rebalance with Scenario B as follows:

	01/09/2020 Balance	Rebalance Amounts
1. Delaware LCV	1,986,590	
2. VG LCV ETF	297,000	40,000
3. Polen Capital LCG	1,822,654	
4. VG LCG ETF	550,877	-40,000
5. UMA – Kayne Anderson	1,614,131	
6. UMA – Delaware Int'l	1,926,190	
7. WCM Intl Growth	2,000,630	
8. Victory Trivalent	1,040,283	
9. Driehaus	1,459,810	
10. BRIEF	2,156,679	
11. Blackstock Strategic Income	2,146,338	
12. Federated Core FI	2,250,031	

**Action:**

*Mr. Lee Statham moved to approve Scenario B rebalancing as presented. Mr. Scott Stafford seconded, All Ayes.*

Mr. Jim Stoker presented a trustee education class pertaining to the fund's Portfolio Statistics. He reviewed a presentation overview and explained how to measure Risk and Standard Deviation fluctuation of returns around the average. Mr. Stoker reviewed the following:

- Standard Deviation – fluctuation of returns around the average. The higher the Standard Deviation the bumpier the ride.
- Beta – measures the sensitivity of change in a benchmark
- Alpha – outlines how much additional risk the fund is willing to take
- R-Squared – measures the relationship between the movement of the portfolio and the movement of the index
- Tracking Error – volatility of the difference between the portfolio and the benchmark
- Sharp Ratio - a measure of risk-adjusted return. The higher the better

Mr. Stoker explained these are all statistics to let them know how managers are doing noting the metrics are all now in the report for the board to review.

Chairman Myers stated TEXpers recognizes the Portfolio Statistics class as training and earned credit.

#### **8. Consider invoice from Retirement Horizons**

Chairman Myers presented an invoice from Retirement Horizons and noted the invoice in the packet was incorrect. He stated the correct amount due is \$1,000.00 for services rendered.

##### **Action:**

*Mr. John Tillery moved to approve an invoice from Retirement Horizons as presented. Mr. Lee Statham seconded, All Ayes.*

#### **9. Consider invoice from Helen R. Duvall, CPA**

Chairman Myers presented an invoice from Helen R. Duvall, CPA for services in 2019 totaling \$2,350.00.

##### **Action:**

*Mr. John Tillery moved to approve an invoice from Helen R. Duvall, CPA as presented. Mr. Lee Statham seconded, All Ayes.*

#### **10. Discuss consultant search and take any necessary action**

Chairman Myers postponed Item 10 to the next meeting.

#### **11. Set next meeting date and time of Firemen's Relief and Retirement Fund Board**

The Firemen's Relief and Retirement Board set their next meeting for February 10, 2020 at 8:30 a.m.

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**12. Adjourn**

There being no further business, the meeting adjourned at 10:04 a.m.

Respectfully submitted,

Lori Cartwright  
City Secretary