

Firemen's Relief and Retirement Fund  
February 19, 2018

A regular meeting of the Board of Trustees of the Waxahachie Firemen's Relief and Retirement Fund was held at Waxahachie Fire Station No. 1, 407 Water Street, Waxahachie, Texas on Monday, February 19, 2018 at 8:30 a.m.

Members Present: Gary Myers, Chairman  
Matt Dorsey, Vice Chairman  
Marcus Brown, Secretary  
Lee Statham  
David Hill, Councilmember

Members Absent: John Tillery  
Charles Harris, Finance Director

Others Present: Amber Villarreal, Assistant City Secretary

**1. Call to Order**

Chairman Gary Myers called the meeting to order.

**2. Consent Agenda**

- a. Minutes of the regular Firemen's Relief & Retirement Fund meeting of November 13, 2017
- b. Annuity checks for FR&R Retirees and other disbursements for the months of January, February, and March 2018

**Action:**

*Vice Chairman Matt Dorsey moved to approve items a. through b. on the Consent Agenda. Mr. David Hill seconded, All Ayes.*

**3. Consider 2017 Financial Report**

Chairman Gary Myers reviewed the 2017 Financial Report prepared by Helen Duvall, CPA. He reported the fund had an approximate 10.73% rate of return for the year. He explained the city contributed about \$633,000 to the fund and the fund paid out about \$1,000,000 in benefits.

**Action:**

*Vice Chairman Matt Dorsey moved to accept the 2017 Financial Report. Secretary Marcus Brown seconded. All Ayes.*

**4. Hear Fourth Quarter Report 2017 from Tim Sharpe, Graystone Consulting, and take any necessary action**

Mr. Tim Sharpe, Graystone Consulting, presented the Fourth Quarter Performance Report for 2017 noting it was a good quarter with the Dow up 10.9%, NASDAQ up 6.6%, AND The S&P 500 increased 6.6%. The bond market increased 0.4% for the quarter. He explained we have favorable international investments over US investments at this time. Mr. Sharpe noted the fund has doubled since March 2004 and has been one of the top performing funds the past couple of years.

Mr. Jim Stoker, Graystone Consulting, reported the fund is doing about 1% better than the overall market in general.

Mr. Sharpe noted the Morgan Stanley research department has made a decision to remove Glovista and he will provide replacement recommendations for a new emerging market manager at a future meeting.

Mr. Sharpe explained he has begun replacing Wedgewood Partners in all his funds with Polen Capital Management Focus Growth. He noted other cities have reviewed their contract and he recommends signing as well. Polen Capital has less volatility.

**Action:**

*Mr. David Hill moved to release Wedgewood Partners and hire Polen Capital Management Focus Growth. Vice Chairman Matt Dorsey seconded, All Ayes.*

Mr. Sharpe recommended rebalancing the funds as follows:

	2/15/18	Rebalance
	Balance	Amounts
1. Delaware LCV	\$1,866,692	
2. LCV ETF	\$191,171	
3. Wedgewood LCG	\$1,657,006	-\$86,000
4. LCG ETF	\$487,840	
5. Great Lakes SMID Core	\$1,990,690	-\$20,000
6. Delaware International	\$1,964,760	
7. WCM Intl Growth	\$2,039,729	
8. Glovista EM	\$1,339,689	
9. BREIF	\$1,809,628	
10. Blackrock Strategic Income	\$1,678,695	+\$55,000
11. Federated Core FI	\$1,681,634	+\$123,000

**Action:**

*Vice Chairman Matt Dorsey moved to approve the rebalance as presented. Mr. Lee Statham seconded, All Ayes.*

**5. Discussion of investment managers and take any necessary action**

Mr. Sharpe and Mr. Stoker provided an overview of CPG Vintage Access Fund, LLC explaining they harness Morgan Stanley's private equity and private credit platform. Mr. Stoker explained Morgan Stanley approved this in Fall 2017 and it is now offered to their credit investors.

Mr. Sharpe explained the proposal is to have the fund make a 5% commitment to private equity and that would be split up over three (3) years. There is also a \$300,000 commitment to CPG needed. He explained CPG can recycle the profits and reinvest it into more funds. He noted the fund wouldn't receive any funds until the investment period is over. He explained the expenses are as follows: 2% basis fee and CPG will take 20% of the profits.

After further discussion, Chairman Myers confirmed there will most likely be a negative cash flow on the quarterly reports over the next four years and Mr. Sharpe concurred.

**Action:**

*Vice Chairman Matt Dorsey moved to change the asset allocation to 5% private equity reducing the domestic equity. Mr. Marcus Brown seconded, All Ayes.*

**Action:**

*Vice Chairman Matt Dorsey moved to commit \$300,000 to CPG Vintage Access Fund, LLC. Mr. Marcus Brown seconded, All Ayes.*

**6. 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 Monday, March 12, 2018 at 8:30 a.m.

**7. Adjourn**

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

Respectfully submitted,

Amber Villarreal  
Assistant City Secretary