

Amended Minutes
Lubbock Fire Pension Fund
Wednesday, June 8, 2011
#15 Briercroft Office Park, Lubbock Texas
The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, June 8, 2011 at 1:00 P.M.

Members Present

Randy Butcher, Chairman
Jake Browning, Vice-Chairman
Andy Burcham, Secretary/Treasurer
Steve Exter, Member
Kevin Ivy, Member
Alva Littlejohn, Member

Members Absent

Dub Wade, Member

Randy Butcher, Chairman, called the meeting to order at 1:00 p.m.

1. May 11, 2011 Board Meeting minutes

Kevin Ivy made a motion to approve the minutes from the May 11, 2011 Board meeting. The motion was seconded by Alva Littlejohn and approved by the Board.

2. Presentation and review of the 2010 audit by Brent Redford and Phan Foster of Robinson Burdette Martin & Seright, L.L.P.

Brent Redford presented the completed audit of the 2010 financial statements, summarizing that the basic financial statements fairly represented the status of the Fund as of December 31, 2010. The Administrator was directed to make sure that the impairment recorded on the City View investment with CDK was recorded in the Frost Bank statements.

3. Service Retirement Applications, Disability Applications, Widow's Benefit Applications, Dependent Child Applications, Contribution Refunds and Benefit Terminations, and QDRO's (Qualified Domestic Relations Order)

Alva Littlejohn made a motion to terminate benefits for Leroy Poer who passed away on 5/2/2011 and to begin Cherie Poer's widow's benefit in the amount of [REDACTED]. The motion was seconded by Jake Browning and approved by the Board.

Jake Browning made a motion approve a refund of contributions for Crystal Garcia in the amount of [REDACTED]. Ms. Garcia terminated employment on 5/13/2011. The motion was seconded by Kevin Ivy and approved by the Board.

4. Review sales and purchases.

The Board reviewed sales and purchases. No Board action was taken.

6. Custodial bank report by Ed Peschke of Frost Bank

Ed Peschke was unable to attend the meeting. The Fund balance as of 6/8/2011 was \$154,569,490.25.

6. Administrator's Report

- Office expenses
- Investment update
- May financial worksheet--Jack Watkins stated that the returns on future financial worksheets would be calculated in the same manner as on the annual report.

Andy Burcham entered the meeting at this point.

7. Rebalance procedures

The Board discussed the current rebalance policy and directed the Administrator to:

- (a) Verify that a standing Letter of Authorization was in place for quarterly bond redemptions to fund cash shortfalls in benefit payments,
- (b) Instruct the consultant that account balances used to determine rebalance should be end of the previous month rather than balances the day before the meeting as is currently done. The rebalance sheet should be made available to the Board in advance of the meeting in which it is presented for Board consideration.
- (c) Reiterate to the Consultant that actions concerning sales and movement of funds should be initiated only after written directives are received by the Consultant even in cases where verbal direction was received during the meeting.

8. Investment policy review

The Board reviewed the current investment policy and concluded that no further diversification was desired at this time.

Points of discussion were:

- Emerging markets allocation as advised by consultant
- Increasing risk tolerance relative to seeking higher return
- Addition of investment managers
- International market correlation to domestic markets
- Close of Westwood fund to deposits from rebalance perspective and other Westwood products
- Direct real estate investments, diversification with real estate investments, REIT's correlation to markets
- Time pressures in Board meeting decisions

9. Plan document definitions regarding: (a) Members, and (b) Compensation

Andy Burcham gave of history of the Emergency Management position and discussed that the Emergency Management Coordinator is a Mayor appointee. He stated that, at the discretion of the Mayor, the function could be moved to another department within the City organization at any time. Mr. Burcham also stated that it is the Board's decision on who may or may not be a member of the Fund. He continued by saying that he did not feel that it is appropriate to include Emergency Management personnel in the LFPF due to the fact that they could report somewhere else in the future and since they do not perform a fire function. The Administrator read the current definition of "employee" from the Plan for consideration. Andy Burcham read the current Mission Statement for Emergency Management for consideration.

Alva Littlejohn made a motion to "exclude employees of Emergency Management from membership in the Fund, except for employees who are participating members in the system." The motion was seconded by Jake Browning and approved by the Board.

Randy Butcher discussed the potential addition of specialty engines to be manned by Fire Department personnel for deployment outside of the City, regionally or possibly nationally, and the pay structure potential for this deployment. He further discussed this relative to current pending legislation and public perception of pension "spiking" issues. Alva Littlejohn expressed concern over the opportunity not being equally accessible throughout the ranks of the Fire Department. Randy called for volunteers to serve as a committee to bring recommendations to the Board concerning Plan definition of "compensation". Alva Littlejohn and Jake Browning were acknowledged to make these recommendations at the July 13th Board meeting.

10. Consider invoice from Hund, Krier, Wilkerson & Wright, P.C. in the amount of \$2,937.50 for legal expenses

Kevin made a motion to pay the invoice from Hund, Krier, Wilkerson & Wright in the amount of \$2,937.50. The motion was seconded by Andy Burcham and approved by the Board.


11. Committee Reports

No committee reports were given.

12. Public comment

No public comment was made.

Kevin Ivy made a motion to adjourn the meeting. The motion was seconded by Jake Browning and approved by the Board.


James R. Butcher, Chairman


Andy Burcham, Secretary