

**Lubbock Fire Pension Fund**  
**Wednesday, May 11, 2011**  
**#15 Briercroft Office Park, Lubbock Texas**  
**The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, May 11, 2011 at 1:00 P.M.**

Members Present

Randy Butcher, Chairman  
Kevin Ivy, Member  
Alva Littlejohn, Member  
Dub Wade, Member

Members Absent

Jake Browning, Vice-Chairman  
Andy Burcham, Secretary/Treasurer  
Steve Exter, Member

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

**1. April 13, 2011 Board meeting minutes**

Alva Littlejohn made a motion to approve the minutes from the April 13, 2011 Board meeting. The motion was seconded by Kevin Ivy and approved by the Board.

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

Jerry Swinford passed away 4/17/2011. Kevin Ivy made a motion to cease Jerry Swinford's monthly benefit [REDACTED] and to begin Sylvia Swinford's widow's benefit in the amount of [REDACTED]. The motion was seconded by Alva Littlejohn and approved by the Board.

Alva Littlejohn made a motion to accept Matt Hixon's QDRO as qualified. The motion was seconded by Kevin Ivy and approved by the Board.

**3. Review sales and purchases.**

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

**4. Custodial bank report by Ed Peschke of Frost Bank**

- The Fund balance as of May 10, 2011 was \$157,259,367.84
- Mr. Peschke stated that Frost had received several changes in withholdings on retirees.
- Mr. Peschke stated that he would prefer to send checks for death benefits and lump sums rather than ACH to ensure a clear paper trail.

**5. Consultant presentation by Tim Sharpe of Morgan Stanley Smith Barney.**

- **Quarterly report**--Mr. Sharpe stated that the Fund balanced has reached a new high of \$160M. Mr. Sharpe urged consideration of emerging markets as a sector to consider for the portfolio. 60% of the world economy exists outside the United States opposed to 10 years ago when only 40% was outside the U.S.  
Alva Littlejohn asked about the role of Westwood in rebalancing since the account is closed to new deposits. Mr. Sharpe discussed, and offered solutions of a new Westwood product or separately managed account.  
Dub Wade asked the difference between developed and undeveloped economies. Mr. Sharpe discussed.  
Alva Littlejohn asked why it was necessary to hire an emerging equities manager instead of increasing percent of that sector in existing global accounts.  
Mr. Sharpe responded that existing managers were not specialized enough in that market to be effective. Dub Wade interjected the comment that specialization in other industries seemed to be common practice.  
Tim Sharpe discussed the number of investment managers that the Lubbock Fund employs. Compared to other Funds, Mr. Sharpe stated that the Fund is not out of range considering diversification into sectors of the fund. He continued by stating that there isn't an overlap in services provided by the different managers which is undesirable.  
Randy Butcher inquired about the difference in managers' fees if another manager was hired. Mr. Sharpe responded that a new manager might result in a slight increase in the composite fee that is paid to all managers, but shouldn't be significant since fees are paid on all assets and the range of fees is not excessive.
- **Fund rebalancing**--Mr. Sharpe recommended moving \$300K from Luther King Fixed income and \$250K from the commodities account to the consolidated account to cover shortfalls in benefit payments.

Kevin Ivy made a motion to accept Tim Sharpe's recommendations on the Fund rebalancing. The motion was seconded by Alva Littlejohn. After discussion, Alva Littlejohn made a motion to amend the original motion to state that the funds were to remain in the Luther King Fixed income account until needed for shortfalls. Kevin Ivy seconded the motion and the amendment passed. Jack restated the motion: "Rebalance according to the consultant's recommendations with the funds remaining in the Luther King fixed account until needed."  
Randy Butcher called for a Board vote and the amended motion passed

**6. Administrator's Report**

- Office expenses
- Investment update
- April financial worksheet
- 2010 annual report—The Board discussed the proposed annual report. Randy Butcher asked that Glenn Goldwater be added to the contractor's list in the report. Alva Littlejohn made a motion to adopt the annual report with the addition of Glenn Goldwater to the contractor's list and with a cover letter explaining the computation of the return. The motion was seconded by Kevin Ivy and approved by the Board.

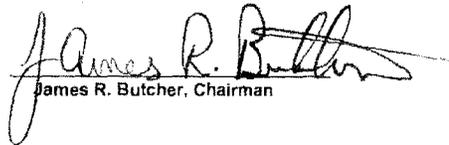
**7. Committee reports**

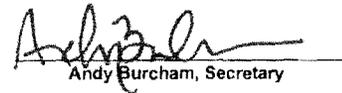
No committee reports were given.

**8. Public comment**

No public comment was made.

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

  
James R. Butcher, Chairman

  
Andy Burcham, Secretary