

Lubbock Fire Pension Fund
Wednesday, May 9, 2012
#15 Briercroft Office Park, Lubbock Texas
The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, May 9, 2012 at 1:00 P.M.

Members Present

Kevin Ivy, Chairman
Randy Butcher, Vice-Chairman
James Capps, Secretary
Steve Exter, Member
Roger Lindsey, Member
Alva Littlejohn, Member
Dub Wade, Member

Members Absent

None

Staff Present

Jack Watkins
Kayla Burcham

Guests Present

Sherri Walker (Firefighters' Pension Commissioner)

Contractors Present

Tim Ng (Morgan Stanley Smith Barney)
Anthony Marameco (Tradewinds Global Advisors)

Kevin Ivy, Chairman, called the meeting to order at 1:00 p.m.

1. April 11, 2012 Board meeting minutes

Alva Littlejohn made a motion to approve the minutes from the April 11, 2012 Board meeting. The motion was seconded by Randy Butcher and approved by the Board.

Roger Lindsey entered the meeting at 1:03 p.m.

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).

Randy Butcher made a motion to approve a Return of Contributions for Michael Jared Morrison. The motion was seconded by Dub Wade and approved by the Board.

Steve Exter entered the meeting at 1:06 p.m.

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 8, 2012 was \$155,383,387.57.
- Allocation Status on all accounts added to the report at this time. All accounts are within acceptable limits.
- Mr. Peschke discussed retiree requests for duplicate 1099 and withholding increases.
- Quarterly reconciliations with asset managers
- April insurance payment

5. Investment update by Anthony Maramarco with Tradewinds Global Advisors

- Mr. Maramarco thanked the Board and handed out presentation materials.
- Review of market by year since inception of the account
- Review of account performance during the same time period
- Comparison of sector and country allocations within the account compared to those within the benchmark
- Effect of turmoil in Japan, European financials and gold market upon portfolio
- Explanation of investment and stock identification process, and portfolio structure
- Effect of personnel changes on portfolio.

Anthony Maramarco left the meeting at 1:55 p.m.

Tim Ng with Morgan Stanley Smith Barney commented on Mr. Maramarco's presentation, explaining MSSB's perspective on the personnel change. After discussion by the Board, Mr. Ng. was directed to perform a search for managers and present the results with the next quarterly report.

6. Consultant presentation by Tim Ng of Morgan Stanley Smith Barney.

- Mr. Ng. presented the 1st Quarter review to the Board.
 - a. General market overview for the quarter
 - b. 6.46% performance for the quarter
 - c. Advised overweighting domestic equities and underweighting internationals

Sherri Walker left the meeting at 2:25 p.m.

- Fund rebalancing--Mr. Ng recommended moving \$350,000 from the Luther King Capital Management equity account to the Luther King fixed income account. Randy Butcher made a motion to rebalance according to the consultant's recommendations. The motion was seconded by Steve Exter and approved by the Board.
 - Mr. Ng. presented an asset allocation study to the Board.
 - a. Mix 1 proposed to move 4% from fixed income to alternatives.
 - b. Mix 2 proposed to move 4% from domestic large caps to emerging markets.
- The Board discussed changes in management fees and changes in government regulations for alternatives. No Board action was taken on asset allocation.

Ed Peschke left the meeting at 3:05 p.m.

- Mr. Ng. presented a projected cash flow model for all alternative accounts over the next 10 years, showing the effect of "laddering" potential new investments with Cohesive Capital, or similar accounts. The Board briefly discussed the idea, expressing intent to discuss in greater detail at the next Board meeting.
- and/or asset changes, the discussion was tabled until next month's meeting.
- Mr. Ng. discussed the recent change in personnel at CB Richard Ellis, and concluded by making a recommendation to the Board that they complete the full commitment to CBRE. Randy Butcher made a motion to maintain the full commitment to CB Richard Ellis for investment. The motion was seconded by Alva Littlejohn and approved by the Board.

Tim Ng left the meeting at 3:15 p.m.

7. Administrator's Report

- Office expenses
- April financial worksheet
- Investments updates
- Other items: Newsletters mailed, Topping Off ceremony in Austin, May 23rd, TEXPERS summer conference

8. Consider invoice from Hund, Krier, Wilkerson & Wright P.C. in the amount of \$125.00 for legal fees

Alva Littlejohn made a motion to approve the invoice from Hund, Krier, Wilkerson & Wright, P.C. in the amount of \$125.00 for legal expenses. The motion was seconded by Steve Exter and approved by the Board.

9. Consider expenses from the 2012 TLFFRA Peer Review Trustee Training, April 19-20 in Austin, Texas, in the amount of \$971.85

Alva Littlejohn made a motion to approve the expenses for Peer Review training in Austin in the amount of \$971.85. The motion was seconded by Dub Wade and approved by the Board.

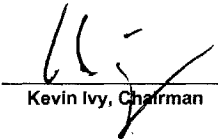
10. Committee reports

Alva Littlejohn gave an update on the status of the 2013 TLFFRA Conference preparations and commented on the positive turnout for the Peer Review Training in Austin.

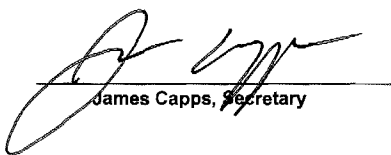
11. Public comment

No public comment was made.

Roger Lindsey made a motion to adjourn the meeting. The motion was seconded by Randy Butcher and approved by the Board.



Kevin Ivy, Chairman



James Capps, Secretary