

**Lubbock Fire Pension Fund**  
**Wednesday, March 13, 2013**  
**#15 Briercroft Office Park, Lubbock Texas**  
**The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, March 13, 2013 at 1:00 P.M.**

**Members Present**

Kevin Ivy, Chairman  
Randy Butcher, Vice-Chairman  
Steve Exter, Member  
Kevin Ivy, Member  
Alva Littlejohn, Member  
Dub Wade, Member

**Members Absent**

James Capps, Secretary

**Staff Present**

Jack Watkins

**Contractors Present**

Ken Cooley  
Regina Weaver  
Luther King  
Paul Greenwell

Kevin Ivy, Chairman, called the meeting to order at 1:05 p.m.

**1. Nomination and Election of Civilian Board Member**

Alva Littlejohn nominated Dub Wade to continue serving in his position as Civilian Board Member. Randy Butcher seconded the nomination. Kevin Ivy called for a vote. Dub Wade was elected unanimously.

**2. Give oath of office to Civilian Board member**

The oath of office was given to Dub Wade.

**3. February 13, 2013 Board meeting minutes.**

Alva Littlejohn made a motion to approve the minutes from the February 13, 2013 Board meeting. The motion was seconded by Roger Lindsey and approved by the Board.

**4. Benefit Applications, Changes and QDROs (Qualified Domestic Relations Order)**

Randy Butcher made a motion to approve the Return of Contributions to Patrick Dennis.. The motion was seconded by Dub Wade and approved by the Board.

Alva Littleton made a motion to approve the Return of Contributions to Mark Gilliam. The motion was seconded by Dub Wade and approved by the Board.

**5. Review sales and purchases**

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

**6. Presentation by Ken Cooley and Regina Weaver of CDK Realty Advisors**

Ken Cooley, with CDK, handed out presentation materials to the Board commenting that he would give a quick overview of current investments and present upcoming opportunities that might be of interest to the Board.

- Keller property- 2 lots sold, interest in others increasing, possible close on entire property by the end of 2014
- Riverview- Leasing to begin in April/May. Austin rental property stats very promising. Vacancy rates at 4% and rental rate at \$2.29 per sq. ft
- Medical Drive- Property fully leased, hospital project continuing, possible sale considerations for 2015.
- Pearland- 28 beds occupied. still on track with projected time line, distributions should begin when occupancy reached 34-36 beds.

Mr. Cooley briefly presented upcoming opportunities to the Board.

- Autumn Leaves- Projects slated in Atlanta, Chicago, Katy, San Antonio, etc. Completed project in Chicago was very successful.
- Student housing- In and out in approximately 2 years on most of these. The demand is still strong.
- Multi-Family- Anticipating 3-4 more years of tight financing in Texas on these projects.

Mr. Cooley then presented the EB-5 Bridge Loan program to the Board. Interim loans for projects, backed by emigrant bond applications filed with the Federal government were being made in order to solidify time lines on project starts until the bond is finalized. Mr. Cooley stressed that these were very short term loans on quality projects with very secure backing, returning 12% over a 6-24 month period. After giving specific examples of projects and other pension funds involved, he closed his presentation.

Ken Cooley and Regina Weaver left the meeting at 2:15 p.m.

#### **7. Presentation of investment results by Luther King and Paul Greenwell of Luther King Capital Management**

Mr. Greenwell handed out materials while Luther King opened his presentation with an expression of appreciation for being invited, and recounted that his first meeting with the Lubbock Fire Fighters pension board occurred in 1973. In 1979, when he went into business for himself, Lubbock was his first account at just over \$6 million worth of investments. Mr. King then updated the Board that there were no regulatory issues or significant changes within the firm. He commented that January 2013 outlook was uncommonly similar to that of January 2012. Low interest rates, housing starts, retail sales, employment stats, GDP growth and government spending cuts were presented relative to their effect on outlook. Bond market duration was identified and its effect on the portfolio was discussed. Mr. King felt that all-in-all, the portfolio was working like it was intended, generating significant return with an acceptable risk. Mr. King then turned the presentation over to Mr. Greenwell.

Mr. Greenwell presented a review of the portfolio, discussing returns, sector holdings, specific companies held, etc., covering the presentation page by page. He and Mr. King then made comments on the length of the recent bull market in bonds and the potential for a bond market bubble with resulting volatility. After thanking the Board again, the presentation ended. Mr. King and Mr. Greenwell left the meeting at 3:25 p.m.

#### **8. Administrator's Report**

- Custodial bank balance report: \$166,853,514.00
- Office Expenses
- February financial worksheet
- Investments update

#### **9. Committee Reports**

- Alva Littlejohn and Roger Lindsey reported on the status of the Sunset Review of the Commissioner's office and the shell bill on file for the continuance of the office
- TLFFRA Conference dates had been identified as September 15-18 and that the Tech game had been moved to September 12th, minimizing conference site complications.

#### **10. 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.**

  
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Kevin Ivy, Chairman

  
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James Capps, Secretary