

Lubbock Fire Pension Fund
Wednesday, May 8, 2013
#15 Briercroft Office Park, Lubbock Texas
The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, May 8, 2013 at 1:00 P.M.

Members Present

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

Members Absent

Roger Lindsey, Member
Dub Wade, Member

Staff Present

Jack Watkins
Kayla Burcham

Guests Present

Tony Guererro

Contractors Present

Tim Sharpe (Morgan Stanley Wealth Management)

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

1. April 10, 2013 Board meeting minutes

Randy Butcher made a motion to approve the minutes from the April 10, 2013 Board meeting. The motion was seconded by Steve Exter and approved by the Board.

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

Alva Littlejohn made a motion to approve a Return of Contributions for Ty Lee Miller. The motion was seconded by Randy Butcher and approved by the Board.

3. Review sales and purchases.

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

4. Consultant presentation by Tim Sharpe of Morgan Stanley Wealth Management

Tim Sharpe opened by reviewing topics posted for discussion, commenting that the fund had achieved a new high balance of over \$168 million. Mr. Sharpe then presented a review of market conditions and trends from the first quarter and delivered fund performance for each manager as well as the fund in general. Underperformers were noted.

Mr. Sharpe presented the Board with alternate fixed income strategies available in the PIMCO PARS strategy. The Board directed the consultant to forward paperwork to the office for review and research scheduling for possible presentation. Mr. Sharpe continued his presentation, commenting that Morgan Stanley had a new Chief Investment Officer, Mike Wilson. Current market correlations, possible market corrections, and rising economic activity generally indicated a healing economy but did not indicate an end to the global economic crisis. The current "bull" market did not have sound fundamentals and devaluation corrections should be considered.

Mr. Sharpe discussed the Investment Policy, relative to rebalance strategy, and presented the Board with research and development of the currently accepted models used for most rebalance policies. He continued in his presentation by comparing statistics for the various funds he contracts with, based on modeling results for each of the funds, showing the percentage increase due to rebalance strategy. After entertaining questions from the Board members, Mr. Sharpe concluded his discussion and made recommendations to the Board for rebalance of the assets, based on tactical strategies and rebalance policy. The Board further discussed the recommendations with Mr. Sharpe. After a call for a motion by the Chairman, Mr. Exter made a motion to rebalance according to the recommendations presented by the consultant. The motion was seconded by James Capps and approved by the Board.

Mr. Sharpe recounted directives for him from the board and closed his presentation. Mr. Sharpe left the meeting at 3:05 p.m.

5. Discussion and action on update of CDK contract

The Board considered an updated contract with CDK Realty giving managerial discretion for asset management to CDK. The Board discussed the contract, relative to expressed objectives identified at the previous month's meeting. Alva Littlejohn made a motion to approve the updated contract with CDK as written. The motion was seconded by Randy Butcher and approved by the Board.

6. Consider invoice from John M. Crider, Jr. in the amount of \$820.00 for actuarial services

Randy Butcher made a motion to pay the invoice from John M. Crider, Jr. in the amount of \$820.00 for actuarial services. The motion was seconded by Alva Littlejohn and approved by the Board.

7. Administrator's Report

- Custodial Bank Balance Report--\$169,460,537.99
- Office expenses
- April financial worksheet
- Investments updates

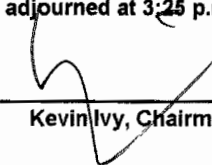
8. Committee reports

Alva Littlejohn reported that legislative meetings and hearings at the Capitol in Austin were continuing. He gave an overview of several of the bills considered, how they affected continuation of the Fire Fighter Pension Commissioners Office as well as TLFRA pension members, and the disposition of each. Mr. Littlejohn concluded that there were many amendments being presented as well as many bills and the outcome was becoming too complicated to predict. A report after the close of the legislative sessions should be more conclusive.

9. Public comment

No public comment was made.

**Randy Butcher made a motion to adjourn the meeting. The motion was seconded by Alva Littlejohn and approved by the Board.
The meeting adjourned at 3:25 p.m.**



Kevin Ivy, Chairman



James Capps, Secretary