

**Lubbock Fire Pension Fund**  
**Wednesday, May 14, 2014**  
**#15 Briercroft Office Park, Lubbock Texas**  
**The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, May 14, 2014 at 1:00 P.M.**

**Members Present**

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

**Members Absent**

**Staff Present**

Jack Watkins  
Kayla Burcham

**Contractors Present**

Tim Ng and Marc Simoni (Morgan Stanley Wealth Management )

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

**1. April 9, 2014 Board meeting minutes**

Roger Lindsey made a motion to approve the minutes from the April 9, 2014 Board meeting. The motion was seconded by Randy Butcher and approved by the Board.

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

No benefit related items were considered.

**3. Review sales and purchases.**

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

**4. Consultant presentation by Tim Ng of Morgan Stanley Wealth Management**

Tim Ng presented the quarterly review for the first quarter. Mr. Ng gave a broad market overview, discussing the U.S. economy, domestic equities, global equities and bond markets. Continuing, Fund performance was presented and individual account performance and corresponding benchmark correlation was discussed. Underperforming accounts were highlighted and commented upon.

Mr. Ng presented a rebalance proposal to the Board. After discussion and consideration by the Board, Randy Butcher made a motion to rebalance accounts according to Mr. Ng's proposal. The motion was seconded by Roger Lindsey and approved by the Board.

Mr. Ng then presented information on the effect of policy-driven rebalance on the Fund, concluding that the process added value to the Fund. After questioning, he further added that quarterly rebalance was more appropriate than monthly (too often) and yearly (too infrequent).

**Steve Exter entered the meeting at 1:25 p.m.**

Mr. Ng introduced Marc Simoni, also with Morgan Stanley, who presented an investment opportunity to the Board in student housing. Mr. Simoni gave organization and background information on the strategy and the operators involved, describing the fund of funds relative to properties held, term of investment, yearly distributions and potential investment return. He highlighted the longevity of the operating principals in this sector and relative correlation of the space to the market.

**Alva Littlejohn entered the meeting at 1:30 p.m.**

Continuing, Mr. Simoni described fund size, examples of properties held, risk factors, and fees associated with the investment. After discussing closing dates and other questions from the Board, Mr. Simoni closed his presentation.

After discussion by the Board, no action was taken on the investment opportunity.

Mr. Ng and Mr. Simoni thanked the Board and excused themselves from the meeting.

**5. Consider approval of the PRB 1000 Report for the year ending 12/31/2013**

Randy Butcher made a motion to approve the PRB 1000 Report for the year ending 12/31/13 as written. The motion was seconded by Alva Littlejohn and approved by the Board.

**6. Consider expenses from the PRB Educational Committee Meeting, April 15 2014, in Austin, Texas, in the amount of \$545.99**

Roger Lindsey made a motion to approve the expenses from the PRB Educational Committee Meeting, April 15, 2014, in Austin, in the amount of \$545.99

**7. Administrator's Report**

- Custodial Bank Balance Report--\$186,303,670.28
- Office expenses
- April financial worksheet
- Investments updates

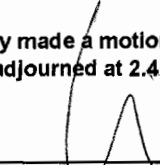
**8. Committee reports**

Alva Littlejohn reported on the Educational Committee Meeting in Austin, discussing the make-up of the committee and the educational requirements identified by the committee. Adoption of the rules is expected during the 2015 legislative session. Mr. Littlejohn also reported on the Trustee Training session conducted by the TLFRA Foundation in Austin on May 8th and 9th.

**9. Public comment**

No public comment was made.

**Roger Lindsey made a motion to adjourn the meeting. The motion was seconded by Dub Wade and approved by the Board. The meeting adjourned at 2.45 p.m.**

  
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Kevin Ivy, Chairman

  
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Linda Cuellar, Secretary