

Lubbock Fire Pension Fund
Wednesday, March 11, 2015
#15 Briercroft Office Park, Lubbock Texas

The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, March 11, 2015 at 1:00 P.M.

Members Pres **Members Absent**

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

Staff Present

Jack Watkins
Kayla Burcham

Contractors Present

Ken Cooley
Amanda Cooley

Several agenda items were taken out of order. The minutes reflect the order each item was taken.

Roger Lindsey, Chairlman, called the meeting to order at 1:00 p.m.

1. Nomination and Election of Civilian Board Member

Randy Butcher nominated Dub Wade to continue serving in his position as Civilian Board Member. The motion was seconded by Alva Littlejohn. Dub Wade was elected unanimously.

2. Give oath of office to Civillian Board member

The oath of office was given to Dub Wade.

3. February 11, 2015 Board meeting minutes.

Alva Littlejohn made a motion to approve the minutes from the February 11, 2015 Board meeting. The motion was seconded by Randy Butcher and approved by the Board.

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

Kevin Ivy made a motion to terminate Christobal Hernandez's benefit due to death and to approve a spousal benefit for Consuelo Hernandez. The motion was seconded by Randy Butcher and approved by the Board.

Alva Littleton made a motion to approve payment of a service benefit for Craig Phillips. The motion was seconded by Randy Butcher and approved by the Board.

6. Investment Review and Update by Ken Cooley and Amanda Cooley with CDK Realty Advisors

Ken Cooley pointed out that Jon Donahue was unable to attend the meeting because of a previous commitment. Amanda Cooley presented the 2014 4th Quarter portfolio review. She updated the Board on each project in the portfolio, highlighting current progress and schedule adherence. Ms. Cooley reviewed valuations and timelines on dispositions and answered questions by the Board. Mr. Cooley discussed proposed projects for 2015 and offered up a plan for a coalition of Firefighter Funds, similar to Lubbock to commit to a fund of funds to invest as a general partner in upcoming investments. He answered questions concerning proposed structure and fee structure. After addressing a question on the appropriate benchmark for developmental real estate investments, he closed his presentation. Mr. Cooley and Ms. Cooley left the meeting.

7. Presentation by John M. Crider, Jr. Consulting Actuary and Donna Hamaker, Support Actuary, to begin the actuarial study as of January 1, 2015

John Crider opened his presentation with a discussion of new GASB reporting for the City and the Fund and its effect on the upcoming valuations. He expressed the opinion that the valuation would be very similar in results to the previous valuation, but readily admitted that it was too early to make any kind of a positive statement. He continued on to discuss with the Board the assumptions:

- New mortality table to be used
- Disability rates need to be tightened
- Active positions increase over the last period
- Assumed rate of return acceptable at 8%, but also comfortable with 7.75%
Actual average return from 1995 was 8.27% (2014 inclusive)
- Actual return on investments for 5 year smoothing should produce sufficient actuarial value of assets for compliant amortization
- Consideration of any type benefit enhancement to be discussed only after preliminary results indicate that possibility.

Mr. Crider pointed out that that Fund's attorney would need to start the requalification process of the Plan with IRS in January 2016, which may need to be considered in finalizing the upcoming valuation. Mr. Crider closed his presentation after answering questions by the Board.

5. Review sales and purchases

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

8. Maximum investment for office relocation

After discussion by the Board, Kevin Ivy made a motion to approve a maximum of \$750,000 for an office building investment. The motion was seconded by Randy Butcher and approved by the Board.

9. Administrator's Report

- Custodial bank balance report: \$184,313,496.34
- Office expenses
- February financial worksheet
- Investments update

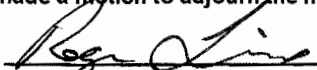
10. Committee Reports

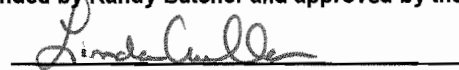
Alva Littlejohn reported that he had been discussing current asset allocation models with an independent consultant and was considering a meeting at TEXPERS to continue discussion with the investment committee.

11. Public Comment

No public comment was made.

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


Roger Lindsey, Chairman


Linda Cuellar, Secretary