

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

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

Members Present

Roger Lindsey, Chairman
Kevin Ivy, Vice-Chairman
Kevin Rule, Secretary
Alva Littlejohn, Member
Dub Wade, Member

Members Absent

Randy Butcher, Member
Steve Exter, Member

Staff Present

Jack Watkins
Kayla Burcham

Contractors Present

Tim Ng
John Crider, Jr.
Donna Hamaker

Public Present

Linda Cuellar
Glenn Goldwater
Albert Kraft

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

1. Certify appointment of City of Lubbock Executive Director of Finance designee to the Board

The Board acknowledged the appointment of Kevin Rule as the Lubbock Executive Director of Finance designee to the Board.

2. Give Oath of Office to the City of Lubbock Executive Director of Finance designee to the Board.

The Oath of Office was given to Kevin Rule.

3. Elect Board Secretary

Alva Littlejohn made a motion to continue Board tradition and elect the Finance Director's designee, Kevin Rule to serve as Board Secretary. The motion was seconded by Dub Wade and approved by the Board.

4. October 14, 2015 Board meeting minutes

Alva Littlejohn made a motion to approve the minutes from the October 14, 2015 Board meeting. The motion was seconded by Dub Wade and approved by the Board.

Kevin Ivy entered the meeting at 1:05 p.m.

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

Dub Wade made a motion to approve the service benefit to Michael Kemp. The motion was seconded by Alva Littlejohn and approved by the Board.

6. Review sales and purchase

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

7. Presentation by Tim Ng with Morgan Stanley Wealth Management

Tim Ng, with Morgan Stanley presented the third quarter performance review to the Board. He reviewed market fundamentals with the Board, pointing out that since the market high in May, the market had lost 16% as of the end of September. Continuing, he discussed the benchmark returns for the various allocation types in the market. In response to a Board question, Mr. Ng expanded upon a comparison of returns for bond holdings and international holdings.

Mr. Ng went on to present Fund performance for all accounts, elaborating as needed in benchmark lags. Lagging performance by WHV was discussed in terms of portfolio construction effect on return. The Board requested that the consultant make specific recommendations for continuance of that investment. After closing that discussion, portfolio rebalance was presented.

Kevin Ivy made a motion to rebalance accounts as recommended by the consultant. The motion was seconded by Alva Littlejohn and approved by the Board.

Mr. Ng passed out information, requested by the Board at the last review, on hedge funds as an asset class. He discussed the handout, focusing on change in portfolio volatility, correlation characteristics, increased alternatives general effects, and the price of liquidity. He presented statistics on public funds employing hedge funds as alternatives and generally discussed the progression of acceptability over the last several years. After answering questions, Mr. Ng closed his presentation.

Roger Lindsey called for a 5 minute break at 1:45 p.m.

Mr. Ng left the meeting.

The meeting resumed at 1:50 p.m.

8. Presentation of the final report of the actuarial valuation and actuarial experience study, as of January 1, 2015, by John Crider, Jr., actuary, and Donna Hamaker, support actuary

Actuaries John Crider and Donna Hamaker presented the final results of the January 1, 2015 Valuation. Mr. Crider described the Lubbock Fire Pension Fund as a bellwether fund of the TLFFRA funds and lauded the Board for their fiduciary decisions. He explained that the purpose of the valuation was to equitably distribute benefits over the affected generations, adding that maintaining amortization periods in the prescribed range accomplished that objective.

Mr. Crider reviewed the final report page-by-page, highlighting the Fund's amortization of 27.6 years, well within Pension Review Board requirements. He compared resulting values with the previous valuation and explained the progression between the two. After presenting the development of the assumptions and the Board's input and directives in that process, the effect of lower City contributions and significant new hires on the department was made, relative to the valuation results. The exhibits associated with the valuation were presented, with emphasis on development of normal cost.

Ms. Hamaker presented that portion of the valuation which contains the actuarial experience study of the report. She compared and contrasted actual and assumed values for returns, entry and retirement ages, and salaries. After discussing membership demographics, the presentation closed.

9. Approve final report of the actuarial valuation as of January 1, 2015

Alva Littlejohn made a motion to approve the final report of the actuarial valuation as of January 1, 2015. The motion was seconded by Kevin Ivy and approved by the Board.

10. Approve actuarial experience study as of January 1, 2015

Kevin Ivy made a motion to approve the actuarial experience study as of January 1, 2015. The motion was seconded by Alva Littlejohn and approved by the Board.

11. Consider invoice from Glenn Goldwater in the amount of \$2,100.00 for pension information services

Kevin Ivy made a motion to approve payment of the invoice from Glenn Goldwater in the amount of \$2,100.00 for pension information services. The motion was seconded by Alva Littlejohn and approved by the board.

12. Consider Frost Insurance invoice in the amount of \$14,790.00 for Directors and Officers insurance

Kevin Ivy made a motion to approve payment of the invoice from Frost Insurance in the amount of \$14,790.00 for Directors and Officers insurance. The motion was seconded by Alva Littlejohn and approved by the Board.

13. Consider Hartford Insurance invoice in the amount of \$819.00 for Business Owners liability insurance

Alva Littlejohn made a motion to approve payment of the invoice from Hartford Insurance in the amount of \$819.00 for Business Owners liability insurance. The motion was seconded by Kevin Ivy and approved by the Board.

14. Administrator's Report


- Custodial Bank Report-- \$174,807,538.75
- Office expenses
- September financial worksheet
- Investments updates

15. Committee reports

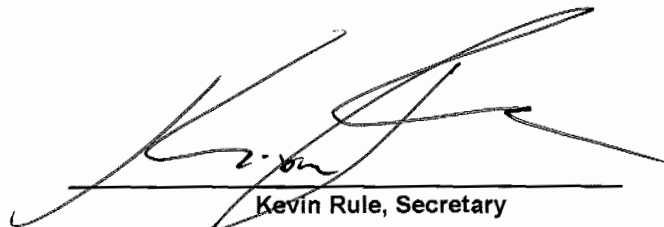
No Committee reports were given.

16. Public comment

No public comment was made.



Roger Lindsey, Chairman



Kevin Rule, Secretary