

Lubbock Fire Pension Fund
Wednesday, February 10, 2016
#15 Briercroft Office Park, Lubbock Texas

The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, February 10, 2016, at 1:00 P.M.

<u>Members Present</u>	<u>Members Absent</u>	<u>Staff Present</u>	<u>Contractors Present</u>	<u>Public</u>
Roger Lindsey, Chairman Kevin Ivy, Vice-Chairman Kevin Rule, Secretary Randy Butcher, Member Steve Exter, Member Alva Littlejohn, Member Dub Wade, Member	None	Jack Watkins Kayla Burcham	Tim Sharpe Luther King Jonathan Deweese	Raymond Stanford

Roger Lindsey, Chairman, called the meeting to order at 1:10 p.m.

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

1. January 13, 2016 Board meeting minutes

Randy Butcher made a motion to approve the minutes from the January 13, 2016 Board meeting. The motion was seconded by Kevin Ivy and approved by the Board.

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

Tim Sharpe presented a recap of recent developments of key personnel at WHV and commented on the Board's attention to continued underperformance of the portfolio. Following through on his recommendation to the Board at the last meeting for manager replacement, he presented three candidate firms: ClearBridge International Equity, Thornburg Investment Management, and WCM Investment Management. Mr. Sharpe reviewed the three firms and gave statistical comparisons for each relative to historical performance, volatility, Sharp Ratio, up/down capture, typical portfolio holdings and turnover, investment styles, etc. He relayed the results of the negotiations on contract details, fees, and minimum investment for the firms.

After questions and discussions by the Board, Alva Littlejohn made a motion to terminate WHV and engage WCM Investment Management as a replacement manager for the portfolio. The motion was seconded by Randy Butcher and approved by the Board.

5. Presentation of portfolio review by Luther King and Jonathan Deweese of Luther King Capital Management

Luther King and Johnathan Deweese with Luther King Capital Management presented portfolio review to the Board. Mr. King opened his presentation with a recap of history leading to the founding of the firm and the firm's relationship with the Fund. He recounted the Fund's inception asset value and quickly outlined growth to present. After reviewing current market conditions, Mr. King made general comments about expectations for the economy and the market for 2016, a continuation of conditions similar to 2014 and 2015, i.e. slow recovery. Mr. King commented on growth aspects of the economy and the effect of trading for short term gain on the market generally. After comments on supply/demand market influences, he closed with a discussion of the current and potential scenarios for oil prices and its market effect.

Mr. Deweese presented portfolio review to the Board. He reviewed the handout material page-by-page, highlighting performance, inventory, turnover, etc. in both equities and fixed income portfolios. After a short discussion on maturity within the bond portfolio, Mr. Deweese and Mr. King closed their presentation, thanking the Board for continued business with the firm.

At 2:40 p.m., Roger Lindsey call for a 5 minute break.

Tim Sharpe left the meeting.

Luther King and Jonathan Deweese left the meeting

The meeting reconvened at 2:45 p.m.

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.

6. Approval of the completed 2015 Annual Report

Randy Butcher made a motion to approve the 2015 Annual Report as written. The motion was seconded by Alva Littlejohn and approved by the Board.

7. Consider invoice from John M. Crider, Jr. in the amount of \$714.00 for actuarial services

Alva Littlejohn made a motion to approve payment of the invoice from John Crider in the amount of \$714.00 for actuarial services. The motion was seconded by Kevin Ivy and approved by the Board.

8. Consider invoice from Hund, Krier, Wilkerson & Wright in the amount of \$1,653.00 for legal services

Kevin Ivy made a motion to approve payment of the invoice from Hund, Krier, Wilkerson & Wright in the amount of \$1,653.00 for legal services. The motion was seconded by Randy Butcher and approved by the Board.

9. Administrator's Report

- Custodial Bank Report-- \$166,511,561.28
- Office expenses
- January financial worksheet
- Investments updates

10. Committee reports

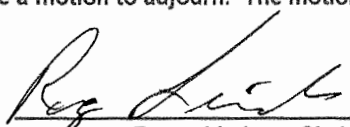
Alva Littlejohn updated the Board on the scheduled Pension Review Board meeting on February 11th in Austin. He briefed the Board on the materials to be presented at that meeting relative to the TLFRA funds and listed recent changes to the PRB membership.

Roger Lindsey updated the Board on negotiations with West Texas Home Builders Association relative to building furnishings.

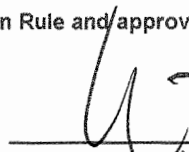
11. Public comment

No public comment was made.

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



Roger Lindsey, Chairman



Kevin Ivy, Vice-Chairman