

Lubbock Fire Pension Fund
Wednesday, January 13, 2016
#15 Briercroft Office Park, Lubbock Texas

The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, January 13, 2016, at 1:00 P.M.

<u>Members Present</u>	<u>Members Absent</u>	<u>Staff Present</u>	<u>Contractors Present</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

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

1. Election of Board officers

Roger Lindsey called for nominations for Board officers.

Randy Butcher nominated Roger Lindsey to serve as Chairman. The motion was seconded by Kevin Ivy. Nominations ceased. Roger Lindsey was elected to serve as Chairman by unanimous vote.

Randy Butcher nominated Kevin Ivy to serve as Vice-Chairman. The motion was seconded by Kevin Rule. Nominations ceased. Kevin Ivy was elected to serve as Vice-Chairman by unanimous vote.

Alva Littlejohn nominated Kevin Rule to serve as Secretary. The motion was seconded by Randy Butcher. Nominations ceased. Kevin Rule was elected to serve as Secretary by unanimous vote.

2. December 9, 2015 Board meeting minutes

Alva Littlejohn made a motion to approve the minutes from the December 9, 2015 Board meeting. The motion was seconded by Randy Butcher and approved by the Board.

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

Kevin Ivy made a motion to approve a service benefit for Delton Cleveland. The motion was seconded by Randy Butcher and approved by the Board.

Alva Littlejohn made a motion to approve a service benefit for Richard Edwards. The motion was seconded by Kevin Ivy and approved by the Board.

Kevin Ivy made a motion to approve a service benefit for Brad Marlar. The motion was seconded by Alva Littlejohn and approved by the Board.

Kevin Ivy made a motion to approve a service benefit for Steve Myers. The motion was seconded by Alva Littlejohn and approved by the Board.

Alva Littlejohn made a motion to approve a return of contributions for Madolyn Birley. The motion was seconded by Kevin Ivy and approved by the Board.

Alva Littlejohn made a motion to terminate the widow's benefit for Tiney Stokes, due to death. The motion was seconded by Randy Butcher and approved by the Board.

4. Review sales and purchases

The Board reviewed sales and purchases.

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

- Quarterly review and rebalancing
- International investments allocation, WHV, and revised rebalance spreadsheet

Tim Sharpe presented the quarterly review to the Board. Opening comments centered on lack of market appreciation for investments, quoting a recent article as "the year that nothing worked". Handing out review booklets, he presented the market fundamentals for capital markets, both domestic and foreign, commenting on monetary exchange rate impacts on international returns. Growth for nondomestic economies is favored for 2016. Continuing with the specifics of Fund performance, Mr. Sharpe reviewed each account relative to its perspective benchmark and quantified each accounts contribution to under performance for the year. He also presented findings on a comparison study performed on another TLFRA fund whose investments replicate the Funds historic asset allocation, concluding that for the years studied, an equal number of years appeared for under performance and for over performance, mimicking the same comparison of international vs. domestic equities.

Mr. Sharpe reviewed a recent announcement of portfolio manager retirement associated with the Fund's WHV account. Recommending reallocation of the holding, he presented preliminary results for replacement managers to the Board. The Board directed that specific managers for consideration be presented as soon as the manager search is complete, at the next quarterly review, or sooner if available.

No account rebalance was recommended.

Mr. Sharpe closed his presentation with comments to the Board on concentration risk evident within the investments of the Fund and manager diversification strategies that might be utilized to alleviate that risk.

6. Consider yearly actuarial valuations performed as suggested by City of Lubbock auditor, BKD

The Board discussed a request from the City for consideration of having yearly valuations performed to facilitate expedience and enhance clarity within the yearly audit of the City financial statements. The Board discussed aspects of the issue, intrinsic value to the Fund, valuation cost, changing GASB reporting requirement, similar experiences with other funds and their sponsoring entity, and continuity with the City of the particular firm currently performing the audit. After further comments about the learning curve in fulfilling new requirements, no action was taken by the Board.

7. Consider invoice from John M. Crider, Jr. in the amount of \$3,196.00 for actuarial services

Alva Littlejohn made a motion to approve payment of the invoice from John Crider in the amount of \$3,196.00 for actuarial services. The motion was seconded by Steve Exter and approved by the Board.

8. Consider invoice from Hund, Krier, Wilkerson & Wright in the amount of \$4,800.00 for legal services

Randy Butcher made a motion to approve payment of the invoice from Hund, Krier, Wilkerson & Wright in the amount of \$4,800.00 for legal services. The motion was seconded by Kevin Ivy and approved by the Board.

9. Consider payment of \$2,500.00 to the U.S. Treasury for IRS determination fees

Kevin Ivy made a motion to approve payment to the U.S. Treasury in the amount of \$2,500.00 for IRS determination fees. The motion was seconded by Randy Butcher and approved by the Board.

10. Administrator's Report

- Custodial Bank Report- \$168,656,516.65
- Office expenses
- December financial worksheet
- Investments updates

11. Committee reports

Alva Littlejohn updated the Board on Investment Committee contacts with asset managers.
Roger Lindsey updated the Board on progress on West Texas Home Builders Association's new building.

12. Public comment

No public comment was made.

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



Roger Lindsey, Chairman



Kevin Rule, Secretary