

**Lubbock Fire Pension Fund**  
**Wednesday, September 13, 2017**  
**4223 85th Street, Lubbock, Texas**

The Lubbock Fire Pension Fund met in a Regular Meeting Wednesday, September 13, 2017 at 1:00 P.M.

**Members Present**

Randy Butcher, Chairman  
Kevin Ivy, Vice-Chairman  
Blu Kostelich, Secretary  
Steve Exter, Member  
Randy Lammons, Member  
Dub Wade, Member

**Members Absent**

Alva Littlejohn, Member

**Staff Present**

Jack Watkins  
Krista Bailey  
Kayla Burcham

**Contractors Present**

Dale Connors  
Andy Fiegel  
John Crider, Jr.

**Public Present**

Jimmy Bacon  
Cory McLaurin

Randy Butcher called the meeting to order at 1:00 p.m.

**1. Certify appointment of the City of Lubbock CFO to the Lubbock Fire Pension Fund Board of Trustees**

Kevin Ivy made a motion to acknowledge the appointment of Blu Kostelich to the Board of Trustees. The motion was seconded by Dub Wade and approved by the Board.

**2. Give Oath of Office to the City of Lubbock CFO**

The Oath of Office was given to Mr. Kostelich.

**3. Elect Board Secretary**

Kevin Ivy nominated Blu Kostelich to serve as Board Secretary. Upon hearing no further nominations, Chairman Butcher called for a vote. Mr. Kostelich was elected unanimously.

**4. August 9, 2017 Board meeting minutes**

Randy Lammons made a motion to approve the minutes from the August 9, 2017 Board meeting. The motion was seconded by Kevin Ivy and approved by the Board.

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

No benefit related items were considered.

**6. Review sales and purchases**

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

**7. Consultant presentation by Dale Connors and Andy Fiegel with Ellwood Associates**

Dale Connors and Andrew Fiegel with Ellwood Associates presented the August performance update to the Board. Mr. Fiegel reviewed general market trends and benchmark returns with the Board, before discussing cash flows and returns for the specific accounts and investments. Mr. Connors reviewed positioning of funds within the portfolio of allocations yet to be determined, and discussed possibilities for reducing exposure to direct investment in real estate. Mr Connors presented a rebalance analysis to meet liquidity needs for the operating account.

Kevin Ivy made a motion to rebalance according to the Consultant's recommendations. The motion was seconded by Randy Lammons and approved by the Board.

**8. Preliminary actuarial valuation report as of January 1, 2017, by John Crider, Jr., Consulting Actuary**

John Crider presented the preliminary results of the Actuarial Study as of 12-31-2016. He reviewed the results of the previous study from 1-1-2015 and traced the changes in the key elements of the study. After identifying a preliminary amortization period of 33.5 years and funded ratio of 65.69%, Mr. Crider discussed Pension Review Board and GASB guidelines compliance. Attributing the increase in amortization to poor investment performance, he outlined potential scenarios for the next valuation, using current assumptions and investment returns on the smoothing process. After discussing assumed rate of return sensitivity and presenting study results from changing that assumption, Mr. Crider closed his presentation with comments that he would finalize his report and present at the next Board meeting.

**9. Consider expenses from the TEXPERS Conference, August 13-15, 2017 in San Antonio, Texas, in the amount of \$1,677.75**

Randy Lammons made a motion to approve payment of the expenses from the TEXPERS Conference, August 13-15, 2017, in San Antonio in the amount of \$1,677.75. The motion was seconded by Kevin Ivy and approved by the Board.

**10. Consider invoice from Robinson Burdette Martin & Seright, L.L.P. in the amount of \$15,000.00 for the 2016 audit**

Kevin Ivy made a motion to approve payment to Robinson Burdette Martin & Seright in the amount of \$15,000 for the 2016 audit. The motion was seconded by Randy Lammons and approved by the Board.

**11. Consider invoice from John M. Crider, Jr. in the amount of \$2,793.00 for actuarial services**

Randy Lammons made a motion to approve payment to John Crider in the amount of \$2,793.00 for actuarial services. The motion was seconded by Kevin Ivy and approved by the Board.

**12. Administrator's Report**

- Custodial Bank Balance Report- \$188,702,688.24
- Office expenses
- August financial worksheet
- Investments update

**13. Committee appointments and assignments**

Chairman Butcher formed a committee to perform Plan review and recommend Plan changes. Randy Lammons, Kevin Ivy and Alva Littlejohn were assigned to the committee.

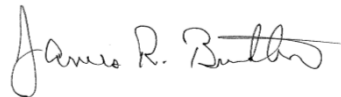
**14. Committee reports**

There were no committee reports.

**15. Public comment**

There was no public comment

**Randy Lammons made motion to adjourn the meeting. The motion was seconded by Kevin Ivy and approved by the Board. The meeting adjourned at 2:50 p.m.**



James R. Butcher, Chairman



Blu Kostelich, Secretary