

**Lubbock Fire Pension Fund**  
**Wednesday, May 16, 2018**  
**4223 85th Street, Lubbock, Texas**

**The Lubbock Fire Pension Fund met in a Regular Meeting on Wednesday, May 16, 2018 at 1:00 P.M.**

**Members Present**

Kevin Ivy, Chairman  
Randy Lammons, Vice-Chairman  
Steve Exter, Member  
Alva Littlejohn, Member  
Cory McLaurin, Member

**Members Absent**

Blu Kostelich, Secretary  
Dub Wade, Member

**Staff Present**

Jack Watkins  
Krista Bailey  
Kayla Burcham

**Contractors Present**

Dale Connors  
Andrew Fiegel

**Public Present**

None

**Kevin Ivy, Chairman, called the meeting to order at 1:00 p.m.**

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

**1. April 11, 2018 Board Meeting minutes**

Alva Littlejohn made a motion to approve the minutes from the April 11, 2018 Board Meeting. The motion was seconded by Randy Lammons and approved by the Board.

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

Alva Littlejohn made a motion to terminate the service benefit for Ron Swint and associated QDRO payment for Karan Swint due to death, and to approve a non-spouse benefit for Karan Swint. The motion was seconded by Cory McLaurin and approved by the Board.

Randy Lammons made a motion to approve a service benefit for Micheal Fields. The motion was seconded by Cory McLaurin and approved by the Board.

Randy Lammons made a motion to approve a service benefit for Roger Lindsey. The motion was seconded by Alva Littlejohn and approved by the Board.

**3. Review sales and purchases**

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

**6. Discussion and Action on upcoming actuarial valuation**

No action was taken.

**7. Consider expenses from the TEXPERS Conference, April 16-18, 2018, in South Padre Island, Texas, in the amount of \$5,758.50**

Randy Lammons made a motion to approve the expenses from the TEXPERS Conference, April 16-18, 2018, in South Padre Island, Texas, in the amount of \$5,758.50. The motion was seconded by Cory McLaurin and approved by the Board.

**8. Consider invoice from John M. Crider, Jr. in the amount of \$858.00 for actuarial services**

Alva Littlejohn made a motion to approve payment of the invoice from John M. Crider, Jr. in the amount of \$858.00 for actuarial services. The motion was seconded by Randy Lammons and approved by the Board.

**9. Administrator's Report**

- Custodial bank balance report: \$195,231,408.67
- Office expenses
- April financial worksheet
- Investments update

**4. Presentation by Dale Connors and Andrew Fiegel with Ellwood Associates**

At 1:45 p.m., Dale Connors and Andy Fiegel entered the meeting. After opening remarks by Mr. Connors, Mr. Fiegel presented the 2018 1st quarter performance review. Volatility and rising interest rates were identified as elements of change. After reviewing cash flows and performance data for all investment accounts, the monthly update for April was similarly reviewed.

Mr. Connors, following up with a discussion from the previous Board meeting in April, again discussed the completed Asset Allocation Study and assumed rate of return for the Fund. After addressing questions and comments from the Board, he deferred to Mr. Fiegel to present the results of a search for a core real estate investment product. U.S. Core Partners Fund, Smart Markets Real Estate Fund, and Principal U.S. Property Account were compared and contrasted. Fees, investment minimums, leverage, and strategies were discussed. After discussion by the Board, Mr. Connors outlined funding for the investment through rebalance.

Randy Lammons made a motion to reallocate as recommended by the Consultant; invest \$20 million in Principal U.S. Properties Fund, to be funded with \$15 million from Vanguard Total Stock Market Index and \$5 million from Vanguard Total International Stock Market Index. The motion was seconded by Alva Littlejohn and approved by the Board.

**5. Discussion and Action on Consultant presentation**

No further discussion on the Consultant's presentation was entertained. Actionable motion occurred during the above presentation as indicated.

**Chairman Ivy called for a 5 minute break at 3:05 p.m.**

**Dale Connors and Andy Fiegel left the meeting.**

**The meeting resumed at 3:10 p.m.**

**10. Conduct and executive session pursuant to section 551.074 of the Government Code regarding employee compensation**

At 3:10 p.m., the Board entered into executive session to consider employee compensation.

**11. Discussion and Action on employee compensation**

Randy Lammons made a motion to move the Administrator, Krista Bailey, from hourly to salary based on 40 hours per week. The motion was seconded by Steve Exter and approved by the Board.

**12. Committee reports**

Kevin Ivy reported on conversation with the Corpus Christi Administrator about the disability program in their Plan. As a follow up to Mr. Ivy's comments, Alva Littlejohn added comments on Beaumont's changes to their disability program within their Plan.

Mr. Littlejohn then reported on Peer Review training in Austin the previous week and recent changes with the Pension Review Board.

**13. Public comment**

No public comment was made.

**Cory McLaurin made a motion to adjourn the meeting. The motion was seconded by Randy Lammons and approved by the Board.**

**The meeting adjourned at 3:35 p.m.**

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Kevin Ivy, Chairman

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Randy Lammons, Vice-Chairman