

STATE OF TEXAS }  
COUNTIES OF POTTER }  
AND RANDALL }  
CITY OF AMARILLO }

On this the 21<sup>st</sup> day of April 2010, members of the Firemen's Relief and Retirement Fund Board of Trustees of Amarillo, Texas met in regular session at City Hall, 509 East Seventh Avenue, Amarillo, Texas, with the following members and guests present:

| <u>MEMBERS</u>               | <u>PRESENT</u> | <u>HELD SINCE APPOINTMENT</u> | <u>ATTENDED SINCE APPOINTMENT</u> |
|------------------------------|----------------|-------------------------------|-----------------------------------|
| DEBRA MCCARTT, MAYOR         | NO             | 58                            | 0                                 |
| JOE NEELY, CHAIRMAN          | YES            | 167                           | 145                               |
| JEFF GREENLEE, VICE CHAIRMAN | YES            | 101                           | 95                                |
| DEAN FRIGO, SECRETARY        | YES            | 235                           | 217                               |
| DAVID PRESTON, CIV. MEM.     | YES            | 182                           | 142                               |
| JOE HOWELL, CIV. MEM.        | NO             | 151                           | 121                               |
| TONY ROBINSON, FIREMAN       | YES            | 76                            | 70                                |

Also present: Mary Davidson (Abel/Noser), Paul Grimm (Frost Bank), Bobby Martinez (Amarillo National Bank), and Andrea Rains, Recording Secretary.

ITEM 1. Mr. Neely presented the minutes from the regular monthly meeting held March 17, 2010 for approval. With no questions or comments, Mr. Preston motioned to approve the minutes as written. The motion was seconded by Mr. Robinson and carried unanimously.

ITEM 2. Mr. Frigo presented the Investment Resolution as follows:

Maturities

|          |  |               |
|----------|--|---------------|
| 03/15/10 | \$500,000.00 Par Value                   |               |
|          | 4.25% Coupon – Maturity Date: 03/15/2010 |               |
|          | Occidental Pete Mtn                      |               |
|          | Total Proceeds:                          | \$ 500,000.00 |
|          | Total Costs:                             | \$ 478,800.00 |
|          | Net Gain (Loss):                         | \$ 21,200.00  |

Purchases

|          |                           |                 |
|----------|---------------------------|-----------------|
| 03/31/10 | \$1,000,000 Par Value     |                 |
|          | 3% Coupon                 |                 |
|          | Maturity Date: 10/15/2012 |                 |
|          | Anheuser Busch Inbev      |                 |
|          | Total costs:              | \$ 1,024,280.00 |

Mr. Greenlee motioned to approve the investment resolution as presented. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 3. Mr. Frigo presented the summary of revenue and expenditures at March 31, 2010 and reported that the total market value of the Fund was \$109,485,948.16. He reviewed that the Fund's total receipts were over total disbursements by approximately \$36 thousand. Overall, Mr. Frigo stated that the Fund had a good month.

ITEM 4. Mary Davidson presented the Fund's Annual Trading Report prepared by Abel/Noser at December 31, 2009. She reported that commission costs had remained right at 4 cents per share for the last two years, versus a universe of 2.4 cents. Ms. Davidson stated that Luther King is consistent, paying full service brokers. She reviewed that total trading costs were 7.12 cents per share versus the universe of 3.89 cents. Ms. Davidson stated that she was not concerned with the trading costs because the expense could be traced to a single trade on a volatile stock. In closing, Ms. Davidson stated that it was an overall good year for trading.

ITEM 5. Paul Grimm with Frost Bank presented a review of the Fund's Securities Lending Program. He reported that since the inception date of October 2006, the Fund had earned in excess of \$101,700 from participation in the Program. He further reported that the average amount of loans outstanding had been \$12.2 million versus an estimate of \$7.2 million. Annual earnings, Mr. Grimm reviewed, averaged \$32,600 for the years 2007 through 2009; noting that estimated earnings were \$8,700 per year. He pointed out that the Fund's asset management had never been impaired or interfered with by the lending process. Mr. Grimm reviewed risks in the securities lending industry including borrower/counterparty risk, operational risk, and investment risk. He stated that although indemnification is not provided, there is strict adherence to the Texas Public Funds Investment Act. Mr. Grimm reviewed the Fund's earnings history and 50/50 split in the net earnings between the management charge and the Fund.

ITEM 6. Ms. Rains stated that the QDRO for Kyle C. Anthony had been reviewed and approved by the Fund's attorney, Scott Keys of Fulbright & Jaworski. Motion was made by Mr. Robinson, seconded by Mr. Greenlee, and carried unanimously to approve the Qualified Domestic Relations Order (QDRO) for Kyle C. Anthony.

ITEM 7. Mr. Greenlee motioned to approve the Optional Joint 100 Percent Pre-Retirement Death Benefit Election Agreement for Alan R. Teague. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 8. Retirement benefits for Leslie Wayne Pitt in the amount of \$4,062.58 monthly and a lump sum payment of \$20,626.90 was motioned for approval by Mr. Preston, seconded by Mr. Frigo and carried unanimously.

ITEM 9. Mr. Robinson motioned to terminate Mr. James H. Plaster’s retirement, approve the surviving spouse monthly benefit of \$1,111.77 and the \$7,500 lump sum benefit for Ms. Irene Plaster upon receipt of necessary paperwork. The motion was seconded by Mr. Greenlee and carried unanimously.

ITEM 10. Mr. Robinson motioned to approve widow’s benefits to Lillian Akin in the amount of \$1,000.00 monthly, lump sum death benefit in the amount of \$7,500.00, and termination of Carl E. Akin’s retirement benefit upon receipt of necessary paperwork. Mr. Greenlee seconded the motion and it carried unanimously.

ITEM 11. Payment in the amount of \$1,500.00 to Abel/Noser Corporation for transaction measurement of the Fund’s portfolio for the year ending June 30, 2009, was motioned for approval by Mr. Frigo, seconded by Mr. Preston, and carried unanimously.

ITEM 12. Motion was made by Mr. Frigo to approve payment in the amount of \$5,000.00 to Amarillo National Bank for the Fund’s quarterly fee. Mr. Preston seconded the motion and it carried unanimously.

ITEM 13. The Board discussed the proposed Optional 15 Year Certain Pre-retirement Death Benefit and ballot as prepared by John M. Crider. Mr. Neely explained that if this selection is made, the firefighter’s beneficiary would receive 100% of pay for 15 years. Motion was made by Mr. Frigo, seconded by Mr. Greenlee, and carried unanimously to take the proposal to the membership for a vote.

ITEM 14. Mr. Neely stated that the Fund’s actuary, John M. Crider, had proposed a salary survey to be performed in connection with the 2010 valuation. He noted that currently, Mr. Crider assumes that a member’s rate of salary increase remains constant throughout his or her career. Mr. Neely explained that Mr. Crider would charge an additional \$1,250 to the \$13,200 fee for the valuation and that the study would be delivered at the same time as the valuation report. Mr. Greenlee motioned to approve the survey as proposed. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 15. Public Comments. There were no public comments.

THERE being no further business, the meeting adjourned at 11:17 am.

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Joe Neely, Chairman

ATTEST:

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Dean Frigo, Secretary