

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

On this the 22<sup>nd</sup> day of September 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	63	0
JOE NEELY, CHAIRMAN	NO	172	148
JEFF GREENLEE, VICE CHAIRMAN	YES	106	100
DEAN FRIGO, SECRETARY	YES	240	222
DAVID PRESTON, CIV. MEM.	YES	187	146
JOE HOWELL, CIV. MEM.	YES	156	125
TONY ROBINSON, FIREMAN	YES	81	74

Also present: John Crider, Jr. (Actuary), John Edwin Andrews (Fireman), Bobby Martinez (Amarillo National Bank), Michelle Bonner, Finance Director, and Andrea Rains, Recording Secretary.

ITEM 1. Mr. Greenlee presented the minutes from the regular monthly meeting held August 18<sup>th</sup>, 2010 for approval. There were no questions or comments. Motion to approve the minutes as presented was made by Mr. Robinson. Mr. Howell seconded the motion and it carried unanimously.

ITEM 2. Ms. Bonner presented the Investment Resolution as follows:

Maturities

08/16/10	\$500,000.00 Par Value 4.625% Coupon – Maturity Date: 08/15/2010 Home Depot Inc	
	Total Proceeds:	\$ 500,000.00
	Total Costs:	\$ 503,480.00
	Net Gain (Loss):	\$ (3,480.00)

Sales

08/03/10	\$1,000,000.00 Par Value 6.68% Coupon – Maturity Date: 02/15/2011 Burlington Res Fin Co	
	Total Proceeds:	\$ 1,033,147.00
	Total Costs:	\$ 1,045,950.00
	Net Gain (Loss):	\$ (12,803.00)
08/03/10	\$1,100,000.00 Par Value 6.35% Coupon – Maturity Date: 10/15/2011 Conoco Funding Co	
	Total Proceeds:	\$ 1,175,916.50
	Total Costs:	\$ 1,156,221.00
	Net Gain (Loss):	\$ 19,695.50

Purchases

08/02/10	36,300 Shares Brunswick Corp Com	
	Total Costs:	\$ 537,766.35
08/02/10	5,000 Shares Exxon Mobil Corp Com	
	Total Costs:	\$ 305,250.00
08/02/10	3,000 Shares Perkinelmer Inc Com	
	Total Costs:	\$ 58,290.00
08/02/10	5,000 Shares Wells Fargo & Co New Com	
	Total Costs:	\$ 140,918.50
08/02/10	29,500 Shares Adobe Systems Inc Com	
	Total Costs:	\$ 851,016.00

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	\$100,000 Par Value	
	1.875% Coupon – Maturity Date: 03/25/2013	
	MDY/S&P – Aa1/AA Yield to Maturity: 1.07%	
	Shell International	
	Total Costs:	\$ 1,020,140.00
08/26/10	\$1,000,000 Par Value	
	2.0% Coupon – Maturity Date: 06/14/2013	
	MDY/S&P – Aa3/A+ Yield to Maturity: 1.15%	
	US Bancorp	
	Total Costs:	\$ 1,023,460.00
08/31/10	\$1,000,000 Par Value	
	1.9% Coupon – Maturity Date: 04/24/2013	
	MDY/S&P – Aa2/AA- Yield to Maturity: 1.03%	
	Novartis Capital Corp	
	Total Costs:	\$ 1,022,570.00

Motion was made by Mr. Robinson, seconded by Mr. Preston, and carried unanimously to approve the investment resolution.

ITEM 3. Mr. Frigo presented the Fund's summary of revenue and expenditures at August 31<sup>st</sup>, 2010 and noted that a memo and report of the firefighter monthly contributions are included in the Board member's folders at each meeting. He pointed out that all firefighter and City contributions were made on the pay dates in August. Mr. Frigo reviewed that total disbursements were over total receipts by approximately \$16 thousand for the month. He reported that the total market value of the Fund at August 31, 2010 was \$103,735,890.20. Mr. Frigo stated that the Fund's Portfolio was comprised of about 3% in cash, 64% in equities, and the remaining balance of approximately 33% in fixed income. He noted that the Fund was in compliance with its Investment Policy.

ITEM 4. Mr. Crider presented the Fund's Actuarial Valuation as of January 1, 2010. He reported that the amortization period was up to 35.9 years compared to 22.5 years in the last valuation dated January 1<sup>st</sup>, 2008. He further reported that the amortization period is expected to grow over the next two years as more and more of the 2008 investment loss is recognized; that the 2008 loss will be completely recognized by December 31<sup>st</sup>, 2012. Mr. Crider reviewed that the amortization period was greater than expected due to the rate of return on the actuarial value of assets, which was lower than assumed; pay increases, which were greater than assumed; and increases in total payroll, which were less than assumed. He noted that the Plan meets the Pension Review Board's amortization period guidelines; that a 25 to 30 year period is preferred. Mr. Crider discussed that the projected amortization period range is based on the assumption that the market value of Plan assets grows at 8.25% per year after January 1<sup>st</sup>, 2010. Using the market value of assets, Mr. Crider reviewed, the Fund's approximate annual rates of return for the years ending December 31, 2005 through 2009 were 6.6%, 12.2%, 10.3%, -19.4%, and 18.6% respectively. He further reviewed that the average annual rate of return for the five-year period ending December 31, 2009 was 4.8%; that the Fund's average annual rate of return since January 1, 1995 was 8.26%. Mr. Crider reported that even if contribution amounts were increased, it would still not be possible for retiree raises. Mr. Frigo stated that an explanation letter regarding no benefit increases would be drafted to the retirees. Mr. Crider reminded the Board that the Plan must be submitted to the IRS for a new determination letter by January 31, 2011. Mr. Crider stated that the prioritized goals for future actuarial valuations are to decrease the aggregate payroll growth assumption, decrease the assumed rate of return, and to move to a more recent mortality table. Motion was made by Mr. Robinson, seconded by Mr. Preston and carried unanimously to approve the 2009 Actuarial Valuation as presented.

ITEM 5. The Rate of Return Survey, prepared by Mr. Crider, was discussed above in Item 4.

ITEM 6. Form 100, Change of Beneficiary, for John Edwin Andrews was motioned for approval by Mr. Frigo. Mr. Howell seconded the motion and it unanimously carried.

ITEM 7. The Board convened into Executive Session, under Section 551.074 of the Texas Open meetings Law, at 11:41 am. At 11:56 am, the Board completed its Executive Session. Motion to approve the Off-Duty Disability Application for John Edwin Andrews with the request of a follow-up letter from Mr. Andrew's physician after the seven-month recovery period was made by Mr. Robinson, seconded by Mr. Preston, and carried unanimously.

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ITEM 8. Mr. Frigo motioned to approve widow's benefits to Wanda L. Youree in the amount of \$1,464.05 monthly, lump sum death benefit in the amount of \$7,500.00, and termination of Eddie Leon Youree's retirement benefit. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 9. Motion to approve payment in the amount of \$2,837.43 to Wells Fargo Advisors, LLC for the billing period 04/01/2010 to 06/30/2010 was made by Mr. Frigo, seconded by Mr. Howell and unanimously carried.

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ITEM 10. Mr. Robinson motioned to approve 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, 2010. The motion was seconded by Mr. Frigo and carried unanimously.

ITEM 11. Mr. Greenlee presented a TLFFRA Expense Report from his and Mr. Robinson's attendance at the TLFFRA Annual Conference in McAllen, Texas. He reported total expenses of \$1,589.08.

ITEM 12. Public Comments. There were no public comments at this time.

THERE being no further business, the meeting adjourned at 12:05 p.m.

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Joe Neely, Chairman

ATTEST:

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Dean Frigo, Secretary