

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

On this the 18<sup>th</sup> day of May 2011, 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             | 71                            | 0                                 |
| JOE NEELY, CHAIRMAN          | YES            | 180                           | 155                               |
| JEFF GREENLEE, VICE CHAIRMAN | YES            | 114                           | 107                               |
| DEAN FRIGO, SECRETARY        | YES            | 248                           | 230                               |
| DAVID PRESTON, CIV. MEM.     | YES            | 195                           | 151                               |
| JOE HOWELL, CIV. MEM.        | NO             | 164                           | 131                               |
| TONY ROBINSON, FIREMAN       | YES            | 89                            | 82                                |

Also present: Kelly Bevis (Wells Fargo Advisors), Stephen Wheeler (Wells Fargo Advisors), Michelle Bonner, Finance Director, and Andrea Rains, Recording Secretary.

ITEM 1. Mr. Neely presented the minutes from the last regular monthly meeting held on April 20<sup>th</sup>, 2011. There were no questions or comments. Motion was made by Mr. Robinson, seconded by Mr. Preston, and carried unanimously to approve the minutes as written.

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

| <u>Sales</u> |   |
|--------------|---|
| 04/21/2011   | 42,000 Shares<br>Bank of America Corp Com |
|              | Total Proceeds: \$ 516,909.24             |
|              | Total Costs: \$ 1,400,817.30              |
|              | Net Gain (Loss): (\$ 883,908.06)          |

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 Fund's summary of revenue and expenditures at April 30<sup>th</sup>, 2011 and reviewed total employer/employee receipts of approximately \$536 thousand and proceeds of about \$206 thousand in earnings from investments. He noted that the Fund experienced a net realized loss of \$883,908.06 from the sale mentioned by Ms. Bonner in the Investment Resolution above. Reviewing disbursements, Mr. Frigo informed that benefit payments of \$613,788.39 remained the Fund's largest expense. He reviewed unrealized appreciation for the month of \$2,888,639.44 and accrued income of \$345,990.91. Mr. Frigo reported that the total market value of the Fund at April 30<sup>th</sup>, 2011 was \$123,447,204.09.

ITEM 4. The Board acknowledged that everyone had received the written Investment Report at March 31<sup>st</sup>, 2011 from Luther King Capital Management.

ITEM 5. Mr. Wheeler presented the Capital Markets Review for periods ending March 31<sup>st</sup>, 2011. Ms. Bevis reviewed the Fund's performance summary and reported that for the latest quarter, the Fund had returns of 5.97% versus that of the market of 3.94%. For the latest 1, 3, 5 and 10-year periods, she reviewed returns of 14.74% versus 11.97%, 6.34% versus 3.56%, 6.50% versus 4.00%, and 5.90% versus 4.23% respectively. Ms. Bevis noted that on a risk-adjusted basis, the Fund was taking less risk than that of the Policy and getting a greater return. She explained that the Sharpe Ratio for the latest quarter of the Fund was 0.57 versus 0.46 of the Total Policy. The Fund ranked in the 10<sup>th</sup> percentile for the latest quarter, 25<sup>th</sup> for the latest year, 16<sup>th</sup> for the latest 3-years, 14<sup>th</sup> for the latest 5-years and was in the top half for the latest 10-year period, she reported. Ms. Bevis announced that the Fund accomplished all four goals for the past year relating to inflation, absolute return, the market index and percentile ranking. She stated that Luther King is doing a good job for the Fund.

ITEM 6. Form 100, Change of Beneficiary, for Eric W. Swires was motioned for approval by Mr. Greenlee. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 7. Motion was made by Mr. Greenlee, seconded by Mr. Robinson, and carried unanimously to approve the Form 100, Change of Beneficiary, for Gregory L. Mayes.

ITEM 8. Mr. Greenlee motioned to approve the Form 100, Change of Beneficiary, for Dale C. Alvarado. Mr. Robinson seconded the motion and it unanimously carried.

ITEM 9. Retirement benefits for Dale C. Alvarado in the amount of \$4,672.43 monthly and a lump sum payment of \$112,807.85 was motioned for approval by Mr. Greenlee, seconded by Mr. Robinson and carried unanimously.

ITEM 10. Motion was made by Mr. Greenlee, seconded by Mr. Robinson, and unanimously carried to approve retirement benefits for Michael Hunter in the amount of \$3,852.37 monthly and a lump sum payment of \$92,676.04.

ITEM 11. Mr. Robinson motioned to approve payment in the amount of \$750.00 to Connor, McMillon, Mitchell, & Shennum, PLLC for professional services rendered in connection with the audit of the financial statements of the Fund for the year ended December 31, 2010. Mr. Frigo seconded the motion and it unanimously carried.

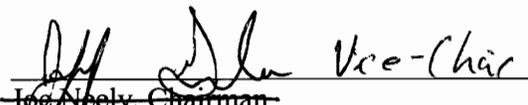
ITEM 12. Payment in the amount of \$69,007.00 to Luther King Capital Management for the billing period 04/01/2011 to 06/30/2011 was motioned for approval by Mr. Robinson, seconded by Mr. Frigo, and carried unanimously.

ITEM 13. Mr. Frigo explained that the Fund had been notified by Luther King Capital Management that it may be eligible to participate in a securities class action lawsuit against Tyco International, LTD. He stated that in order for the Fund to participate in the lawsuit, a proof of claim and release had to be signed and mailed no later than May 6<sup>th</sup>, 2011. Mr. Frigo further stated that since the due date of the claim and release was prior to the next AFRRF meeting, Mr. Neely had previously signed the required form and it had been placed in the mail on April 29<sup>th</sup>, 2011. Mr. Frigo motioned for ratification of participation in the class action lawsuit against Tyco International, LTD. Mr. Robinson seconded the motion and it unanimously carried.

ITEM 14. Ms. Bonner explained that fire retiree Mr. Scottey McBroom had telephoned her in April and requested his disability review be postponed from the AFRRF's April meeting to the meeting held this month to give him more time to gather the paperwork that the Board had requested from him in January. She stated that as of this meeting date, Mr. McBroom's paperwork had not been received. The Board tabled Mr. McBroom's disability review to the June 15<sup>th</sup>, 2011 meeting in order to give Mr. McBroom additional time. Ms. Bonner stated that she would mail Mr. McBroom a reminder letter.

ITEM 15. Public Comments. There were no public comments at this time.

THERE being no further business, the meeting adjourned at 10:49 a.m.

  
~~Joe Neely, Chairman~~  
Jeff Greenlee

ATTEST:

  
Dean Frigo, Secretary