

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

On this the 26th day of September 2012, 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>
PAUL HARPOLE, MAYOR	NO	15	0
JOE NEELY, CHAIRMAN	YES	196	168
JEFF GREENLEE, VICE CHAIRMAN	YES	130	125
DEAN FRIGO, SECRETARY	YES	264	244
DAVID PRESTON, CIV. MEM.	YES	211	162
JOE HOWELL, CIV. MEM.	YES	180	144
TONY ROBINSON, FIREMAN	YES	105	97

Also present: Mary Davidson, Abel/Noser; John M. Crider, Jr., Consulting Actuary; Michelle Bonner, Finance Director; and Andrea Rains, Recording Secretary.

ITEM 1. Mr. Neely presented the minutes from the meeting held on August 15th, 2012. With no questions or comments, Mr. Howell motioned to approve the minutes as written. The motion was seconded by Mr. Preston and carried unanimously.

ITEM 2. Mr. Neely stated that since there were no investment transactions for the month of August, there was no investment resolution to present.

ITEM 3. Mr. Frigo presented the Fund's summary of revenue and expenditures at August 31st, 2012 and reported total cash receipts of about \$506 thousand and total earnings from investments of approximately \$154 thousand. He reviewed that total disbursements exceeded total receipts by about \$39 thousand. Mr. Frigo explained that for the month, the Fund had received \$1,533,737.90 in unrealized appreciation and \$413,077.69 in accrued income. He stated that the Fund ended the month with a total market value of \$123,127,172.15.

ITEM 4. Ms. Davidson presented the Trading Report prepared by Able Noser for the first half of 2012; 1/1/2012 to 6/30/2012. She reviewed at June 30, 2012; there had been 21 trades for a total of 183,000 shares and \$7,757,000 in principal. The average commission cost, she explained, had improved at 4 cents per share compared to 4.8 cents in 2007; 5.0 cents in 2006; and 4.9 cents in 2005. Ms. Davidson reported Luther King had improved costs on the trading side to an average of 2.4 cents per trade. She noted that one trade had created most of the total transaction cost. Mr. Frigo added that this was Luther King's best report to-date. Mr. Neely requested that a copy of the report be forwarded to Luther King.

ITEM 5. Mr. Crider presented the Actuarial Valuation as of January 1, 2012. He reviewed an amortization period of 102.1 years compared to 35.9 years for the January 1, 2010 Valuation. Mr. Crider explained that the amortization period was greater than expected due to lower rate of return on the actuarial value of assets, lower than expected payroll growth, and change in the actuarial cost method. He further explained that using the 2010 actuarial assumptions, the period would have been 65.2 years; however, the actuarial cost method was changed from the aggregate entry age normal to the individual entry age normal cost method. This change increased the amortization period to 68.8 years. The change in the mortality table assumption used for the valuation from the UP 1994 Mortality Table to the RP-2000 Mortality Table (projected to 2015) further increased the amortization period to 102.1 years, he added. Mr. Crider reminded the Board that the change in the cost method was required in anticipation of the new Governmental Accounting Standards Board (GASB) Statement requirements, and the change in the mortality table allowed the Valuation to conform with the Actuarial Standards Board requirement. Mr. Crider noted that the Fund's rates of return are favorable compared to the rates of other TLFFRA Plans. He stated that new GASB disclosures would be in effect September 30, 2015 for the City and December 31, 2014 for the Fund. The Board expressed concerns that the amortization period is greater than 40 years, which is the published guideline set by the Texas Pension Review Board and discussed the possibility of raising contributions rates. Mr. Frigo stated that he would prioritize raising the City's contribution to the Plan beginning with the 2013/2014 budget process. Mr. Robinson motioned to acknowledge receipt of the Valuation and begin work on a ballot to present to the membership. Mr. Frigo seconded the motion and it carried unanimously.

ITEM 6. Motion was made by Mr. Greenlee, seconded by Mr. Robinson, and unanimously carried to approve payment in the amount of \$1,500.00 to Abel/Noser Corporation for transaction measurement portfolios for the year ending June 30, 2012.

ITEM 7. Mr. Greenlee motioned to approve payment in the amount of \$3,304.65 to Wells Fargo Advisors, LLC for the billing period 4/01/2012 to 6/01/2012. Mr. Robinson seconded the motion and it unanimously carried.

ITEM 8. Payment in the amount of \$68,991.00 to Luther King Capital Management for the billing period 07/01/2012 to 09/30/2012 was motioned for approval by Mr. Greenlee. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 9. Mr. Greenlee motioned to approve payment in the amount of \$1,316.25 to Fulbright & Jaworski, LLP, for professional services rendered through July 31, 2012. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 10. Motion to approve payment in the amount of \$5,000.00 to Amarillo National Bank for quarterly trust fees for the period ending 08/31/2012 was made by Mr. Greenlee, seconded by Mr. Robinson, and unanimously carried.

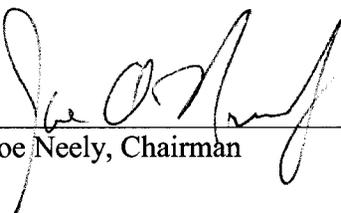
ITEM 11. Form 100, Change of Beneficiary, for Jason M. Orr was motioned for approval by Mr. Robinson. Mr. Preston seconded the motion and it carried unanimously.

ITEM 12. Motion was made by Mr. Robinson to accept the Expense Report from Texas Local Fire Fighters' Retirement Act (TLFFRA) Educational Conference in Galveston, Texas. Mr. Greenlee seconded the motion and it unanimously carried.

ITEM 13. The Board discussed moving the regularly scheduled November 2012 AFRRF meeting date to facilitate the Thanksgiving holiday. Motion was made by Mr. Frigo, seconded by Mr. Greenlee, and unanimously carried to move the Board's November 21st, 2012 meeting to Wednesday, November 28th, 2012.

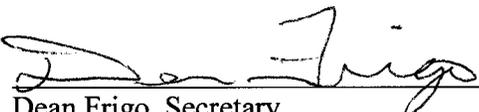
ITEM 14. Public Comments. There were no public comments.

THERE being no further business, the meeting adjourned at 12:15 p.m.



Joe Neely, Chairman

ATTEST:



Dean Frigo, Secretary