

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

On this the 17<sup>th</sup> day of April 2013, 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	YES	22	5
JOE NEELY, CHAIRMAN	YES	203	174
TONY ROBINSON, VICE-CHAIRMAN	YES	112	102
MICHELLE BONNER, SECRETARY	YES	2	2
BRANDON MASON, FIREMAN	YES	4	3
DAVID PRESTON, CIVILIAN MEMBER	YES	218	168
JOE HOWELL, CIVILIAN MEMBER	NO	187	149

Also present: Mary Davidson, Abel/Noser Corp.; Angela R. Goodson, Firefighter; Johnny F. Gutierrez, Firefighter; Jim Smith, Risk Management, City of Amarillo; Bobby Martinez, Amarillo National Bank; and Andrea Rains, Recording Secretary, City of Amarillo.

ITEM 1. Mr. Neely presented the minutes from the meeting held on March 20<sup>th</sup>, 2013. With no questions or comments, Mr. Robinson motioned to approve the minutes as written. The motion was seconded by Mayor Harpole and carried unanimously.

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

Maturities

03/01/13	\$1,000,000.00 Par Value 4.3% Coupon - Maturity Date: 03/01/2013 McDonalds Corp Mtn	
	Total Proceeds:	\$ 1,000,000.00
	Total Costs:	\$ 1,015,960.00
	Net Gain (Loss):	(\$ 15,960.00)
03/01/13	\$500,000.00 Par Value 4.25% Coupon - Maturity Date: 03/01/2013 Honeywell Intl	
	Total Proceeds:	\$ 500,000.00
	Total Costs:	\$ 503,910.00
	Net Gain (Loss):	(\$ 3,910.00)
03/25/13	\$1,000,000.00 Par Value 1.875% Coupon - Maturity Date: 03/25/2013 Shell Intl Fin Bv	
	Total Proceeds:	\$ 1,000,000.00
	Total Costs:	\$ 1,020,140.00
	Net Gain (Loss):	(\$ 20,140.00)

Sales

03/22/13	\$750,000 Par Value 1.4% Coupon - Maturity Date: 09/10/2013 Dell Inc	
	Total Proceeds:	\$ 751,035.00
	Total Costs:	\$ 757,245.00
	Net Gain (Loss):	(\$ 6,210.00)

Purchases

03/15/13	1,000,000 Par Value 1.75% Coupon - Maturity Date: 02/15/2017 Occidental Pete Corp Mdy/S&P: A1/A YTM: 1.07%	
	Total Costs:	\$1,026,090.00
03/21/13	500,000 Par Value 1.25% Coupon - Maturity Date: 02/06/2017 IBM Corp Mdy/S&P: A1/A YTM: 1.00%	
	TOTAL COSTS:	\$ 504,850.00

Mr. Mason motioned to approve the Investment Resolution as presented. Mr. Preston seconded the motion and it unanimously carried.

ITEM 3. Summary of Revenue and Expenditures. Ms. Bonner reported from the Fund's summary of revenue and expenditures at March 31<sup>st</sup>, 2013 a total market value of approximately \$132.8 million. She reviewed employer/employee receipts of about \$564 thousand and investment earnings of \$274 thousand for the month. Ms. Bonner explained total disbursements of \$958,459.33 were over total receipts of \$791,838.74. She added that all contributions were made timely by the City for all pay dates in March and that the firefighter contribution amounts would be verified by staff once the new AFRRF website was able to run the report. Ms. Bonner reviewed that the Fund was invested in about 4% cash and equivalents, 20% fixed income, and 76% equities. She noted that since the Fund's investment policy limits equities to 75%, she suspected that Luther King would be making an adjustment.

ITEM 4. Presentation of Trading Report by Mary Davidson with Abel Noser. Mary Davidson presented the Fund's Annual Trading Report prepared by Abel/Noser at December 31, 2012. She reviewed that for the year, there were 27 trades; which was 284,000 shares and approximately \$12 million in principle. She further reviewed that the Fund paid out \$11,000 in commission costs at an average of 4 cents per share; which has been consistent through 2009. Ms. Davidson reported that the trading cost was an average 3.8 cents per share and explained that two trades accounted for most of the trading cost.

ITEM 5. Presentation of Investment Review. Ms. Bonner presented the Fund's Investment Performance Review at December 31, 2012 and reviewed that for the latest quarter, the Fund had returns of -0.48% versus that of the Policy of -0.13% and 11.06% versus 11.65% for the latest year. She added that the Fund had outperformed the market in the three, five, and ten-year time periods. Reviewing the Sharpe Ratio, Ms. Bonner reported that the Fund had a Sharpe Ratio of 0.92 versus the Policy of 0.91 for the latest 3-years, and 0.37 versus 0.22 for the latest 5-years, and 0.69 versus 0.49 for the latest 10-years. She pointed out that the Fund ranked in the 83<sup>rd</sup> percentile for the latest quarter, in the 46<sup>th</sup> percentile for the latest year, and was in the top 1/3<sup>rd</sup> for the three, five, seven and ten-year time periods. Overall, Ms. Bonner stated that the Fund is taking an acceptable amount of risk and that the investment manager is adding value.

ITEM 6. Consider Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Jacob L. Reynolds. Mr. Robinson motioned to approve Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Jacob L. Reynolds in the gross amount of \$2,365.92 upon receipt of signed paperwork. The motion was seconded by Ms. Bonner and carried unanimously.

ITEM 7. Consider Retirement Benefits for Rickey E. Blandford. Motion to approve retirement benefits for Rickey E. Blandford in the amount of \$10,571.49 monthly and a lump sum payment of \$294,692.09 was made by Mr. Mason. The motion was seconded by Mr. Robinson and unanimously carried.

ITEM 8. Consider On-Duty Retirement Benefits for Angela R. Goodson. The Board convened into Executive Session, under Section 551.074 of the Texas Open Meetings Act, at 10:39 a.m. At 11:02 a.m., the Board completed its Executive Session. Ms. Bonner motioned to approve Ms. Goodson's application for on-duty retirement benefits. Mayor Harpole seconded the motion and it carried unanimously.

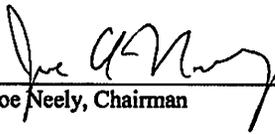
ITEM 9. Consider Off-Duty Retirement Benefits for Johnny F. Gutierrez. The Board convened into Executive Session, under Section 551.074 of the Texas Open Meetings Act, at 11:05 a.m. At 11:10 a.m., the Board completed its Executive Session. Motion was made by Mr. Robinson, seconded by Mr. Mason and unanimously carried to approve Mr. Gutierrez's application for off-duty retirement benefits.

ITEM 10. Consider Investment Policy. Ms. Bonner presented the Fund's Investment Policy and stated that the participant rate had been updated to reflect the new contribution of rate, which was 12% currently and increasing to 13% in October 2013. She explained that per the Fund's Investment Counselor, Kelly Bevis of Wells Fargo Advisors, additions were made to update the indexes being used in the investment goals section on page 4. (IV.C) Mr. Robinson motioned to approve the changes to the Investment Policy as presented. The motion was seconded by Mayor Harpole and it carried unanimously.

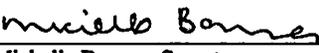
ITEM 11. Consider Statement from Connor, McMillon, Mitchell & Shennum, PLLC. Mr. Neely presented a statement from Connor, McMillon, Mitchell & Shennum, PLLC (CMMS) in the amount of \$5,000.00 for professional services rendered in connection with the audit of the financial statements of the Fund ended December 31<sup>st</sup>, 2012. Ms. Bonner explained that the City of Amarillo pays for half of the cost of the Fund's audit each year. Mr. Robinson motioned to approve payment in the amount of \$2,500.00 to CMMS. Ms. Bonner seconded the motion and it carried unanimously.

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

THERE being no further business, the meeting adjourned at 11:15 a.m.

  
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Joe Neely, Chairman

ATTEST:

  
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Michelle Bonner, Secretary