

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

On this the 19th day of February 2014, 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	32	17
JOE NEELY, CHAIRMAN	YES	213	183
TONY ROBINSON, VICE-CHAIRMAN	YES	122	112
MICHELLE BONNER, SECRETARY	YES	12	10
BRANDON MASON, FIREMAN	YES	14	13
DAVID PRESTON, CIVILIAN MEMBER	YES	228	176
JOE HOWELL, CIVILIAN MEMBER	YES	197	157

Also present: John M. Crider, Jr., Consulting Actuary; Kelly Bevis, Wells Fargo Advisors; Stephen Wheeler, Wells Fargo Advisors; and Andrea McDonald, Recording Secretary, City of Amarillo.

ITEM 1. Mr. Neely presented the minutes from the meeting held on January 15th, 2014. With no questions or comments, Mr. Robinson motioned to approve the minutes as written. Mr. Howell seconded the motion and it carried unanimously.

ITEM 2. Oath of Office. Ms. McDonald administered the Oath of Office to Mr. Howell.

ITEM 3. Ms. Bonner presented the Investment Resolution as follows:

<u>Sales</u>			
01/15/14	345,666.559 Units LKCM Small Cap Equity Fund Inst		
	Total Proceeds:		\$ 9,626,813.67
	Total Costs:		\$ 7,584,948.51
	Net Gain (Loss):		\$ 2,041,865.16
01/16/14	26,000 Shares Foster Wheeler Ag		
	Total Proceeds:		\$ 824,937.02
	Total Costs:		\$ 669,662.65
	Net Gain (Loss):		\$ 155,274.37
01/17/14	348 Shares Nuance Communications Inc Com		
	Total Proceeds:		\$ 5,188.07
	Total Costs:		\$ 4,141.51
	Net Gain (Loss):		\$ 1,046.56
01/17/14	38,552 Shares Nuance Communications Inc Com		
	Total Proceeds:		\$ 574,742.46
	Total Costs:		\$ 458,803.50
	Net Gain (Loss):		\$ 115,938.96
01/21/14	25,000 Shares Petsmart Inc Com		
	Total Proceeds:		\$ 1,636,913.99
	Total Costs:		\$ 662,757.37
	Net Gain (Loss):		\$ 974,156.62
01/30/14	10,000 Shares Coca Cola Co Com		
	Total Proceeds:		\$ 388,188.23
	Total Costs:		\$ 246,048.50
	Net Gain (Loss):		\$ 142,139.73
01/30/14	10,000 Shares Time Warner Inc Com New		

	Total Proceeds:	\$ 634,814.94
	Total Costs:	\$ 229,471.97
	Net Gain (Loss):	\$ 405,342.97
01/30/14	25,000 Shares Waste Management Del Inc Com	
	Total Proceeds:	\$ 1,041,214.36
	Total Costs:	\$ 690,264.40
	Net Gain (Loss):	\$ 350,949.96
01/30/14	5,000 Shares Thermo Fisher Scientific Inc Com	
	Total Proceeds:	\$ 549,894.42
	Total Costs:	\$ 162,213.24
	Net Gain (Loss):	\$ 387,681.18
01/30/14	10,000 Shares Jarden Corp Com	
	Total Proceeds:	\$ 600,491.54
	Total Costs:	\$ 116,666.67
	Net Gain (Loss):	\$ 483,824.87
01/30/14	5,000 Shares FMC Corp Com	
	Total Proceeds:	\$ 357,162.28
	Total Costs:	\$ 118,223.75
	Net Gain (Loss):	\$ 238,938.53
01/30/14	5,000 Shares Wells Fargo & Co New Com	
	Total Proceeds:	\$ 228,053.02
	Total Costs:	\$ 128,819.51
	Net Gain (Loss):	\$ 99,233.51
01/30/14	6,000 Shares Tractor Supply Co Com	
	Total Proceeds:	\$ 423,720.42
	Total Costs:	\$ 52,177.35
	Net Gain (Loss):	\$ 371,543.07
01/30/14	8,000 Shares Kirby Corp Com	
	Total Proceeds:	\$ 786,921.50
	Total Costs:	\$ 303,137.60
	Net Gain (Loss):	\$ 483,783.90
01/30/14	470 Shares AT&T Inc Com	
	Total Proceeds:	\$ 15,729.13
	Total Costs:	\$ 13,367.78
	Net Gain (Loss):	\$ 2,361.35
01/30/14	29,530 Shares AT&T Inc Com	
	Total Proceeds:	\$ 988,257.38
	Total Costs:	\$ 832,315.72
	Net Gain (Loss):	\$ 155,941.66

Mr. Robinson motioned to approve the Investment Resolution as presented. The motion was seconded by Mr. Mason and carried unanimously.

ITEM 4. Summary of Revenue and Expenditures. Ms. Bonner presented the Fund's Summary of Revenue and Expenditures at January 31st, 2014 and reported a total market value of \$144,737,728.33. She reviewed total receipts of almost \$7.2 million and total disbursements of about \$1 million. Ms. Bonner explained the Fund was invested approximately 14% in cash, 18% bonds and 68% common stock. She reported that all employee/employer contributions to the Plan were made timely and at the correct percentage.

ITEM 5. Presentation of Investment Review by Wells Fargo Advisors. Mr. Wheeler discussed the Capital Markets Review for periods ending December 31, 2013. Ms. Bevis presented the Fund's Investment Performance Analysis as of December 31, 2013 and reported the Fund had outperformed the Policy with regards to annualized returns for all time periods. On a risk-return basis, she stated that the Fund is getting an

acceptable amount of return versus the amount of risk taken. Ms. Bevis reviewed the Sharpe Ratio of the Fund was higher than that of the Total Policy for the 3, 5, and 10-year periods, noting that the Fund was receiving great returns on an absolute and risk-adjusted basis. In closing, Ms. Bevis reported that the Fund had met or exceeded all performance measure goals for the quarter and stated that Luther King was doing a great job on behalf of the Fund. A Money Market Comparison for the Securities Lending Program at December 31, 2013 was handed out for review by Ms. Bevis.

ITEM 6. Discussion and Consideration of 2014 Actuarial Valuation, Experience Studies, and Benefit Statements by John M. Crider, Jr. Mr. Crider explained that the Fund had fully recognized the 2008 downturn in the upcoming valuation. He proposed three studies in addition to the valuation: 1) rate of termination and disability experience study, 2) front-loaded salary growth study, and 3) assumed retirement age study. He added that the fee for each study would be \$1,375, in addition to the valuation charge. Mr. Crider also proposed two assumption changes. The first change was to move the payroll growth assumption from 5.5% to 5.0%. The second proposed assumption change was to use a new mortality table for the 2014 valuation; however, he advised that he may wait until the 2016 study to use the more current table and would review with the 2014 valuation. Mr. Crider noted that he would also provide upcoming GASB disclosures at no more than \$2,117. Ms. Bonner motioned for approval for the valuation, all three studies proposed at Mr. Crider's discretion in addition to the assumption changes and the GASB statement preparation. Mr. Howell seconded the motion and it carried unanimously.

ITEM 7. Written Investment Report by Luther King Capital Management. The Board acknowledged receipt of Luther King's Written Investment Report.

ITEM 8. Consider Statement from Indus Mokshum, LLC (PensionEZ). Mr. Robinson motioned to approve payment in the amount of \$9,139.00 to Indus Mokshum, LLC (Pension EZ) for the Fund's AFRRF.com subscription fee from February 1st, 2014 to January 31st, 2015. The motion was seconded by Mayor Harpole and carried unanimously.

ITEM 9. Consider Statement from Abel/Noser Corp. Motion was made by Mr. Robinson to approve payment in the amount of \$1,500.00 to Abel/Noser Corporation for transaction measurement portfolios for the year ending June 30, 2013. The motion was seconded by Mayor Harpole and unanimously carried.

ITEM 10. Consider Statement from Fulbright & Jaworski, LLP. Payment in the amount of \$237.15 to Fulbright & Jaworski, LLP for professional services rendered through December 31, 2013 was motioned for approval by Mr. Robinson. Mayor Harpole seconded the motion and it carried unanimously.

ITEM 11. Approval of Physicals for New Fire Recruits. Motion was made by Mr. Howell, seconded by Mr. Preston and unanimously carried to approve physicals for the following new fire recruits: Christopher G. Bonner, Jason S. Byrd, Tyler A. Drackley, Logan L. Funderburk, Travis J. Goen, Joshua L. Green, Ethan L. Leslie, Micah T. McCutcheon, David A. Mooney, Andrew M. Murphy, Kendall W. Oliver, Stephen L. Price, William M. Riley, Tully D. Robinson, Cody D. Swift, Kylor D. Williams.

ITEM 12. Consideration of Form 100's for Above New Fire Recruits. Mr. Robinson motioned to approve all Form 100's for the new fire recruits listed above in Item 11. Mr. Mason seconded the motion and it carried unanimously.

ITEM 13. Consider Form 100, Change of Beneficiary, for Dory P. Mogelinski. Motion was made by Mr. Robinson, seconded by Mr. Mason and unanimously carried to approve Form 100, Change of Beneficiary, for Dory P. Mogelinski.

ITEM 14. Consider Attendance at TEXPERS 2014 Annual Members Meeting. The Board discussed attendance at the TEXPERS (Texas Association of Public Employee Retirement Systems) 2014 Annual Conference March 23rd through March 26th, 2014 in Ft. Worth, Texas. Ms. Bonner motioned that the Fund pay for any Board members wanting to attend the conference. Mr. Howell seconded the motion and it carried unanimously.

ITEM 15. Review and Consider Disability Pension for Scottey McBroom. The Board convened into Executive Session, under Section 551.074 of the Texas Open Meetings Act, at 11:18 a.m. At 11:22 a.m., the Board completed its Executive Session. Mr. Robinson motioned to continue on-duty retirement benefits and to discontinue further reviews for Mr. McBroom. Mayor Harpole seconded the motion and it carried unanimously.

ITEM 16. Public Comments. Mr. Neely announced that the Fund had received a request to provide a proposal for actuarial services from the firm Rudd and Wisdom Inc. He advised that the Fund should keep the request from Rudd and Wisdom for when the Fund would need to go out for RFP's for actuarial services.

THERE being no further business, the meeting adjourned at 11:19 a.m.



Joe Neely, Chairman

ATTEST:



Michelle Bonner, Secretary