

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

On this the 20th day of May 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	35	18
JOE NEELY, CHAIRMAN	YES	216	186
TONY ROBINSON, VICE-CHAIRMAN	YES	125	115
MICHELLE BONNER, SECRETARY	YES	15	13
BRANDON MASON, FIREMAN	YES	17	16
DAVID PRESTON, CIVILIAN MEMBER	YES	231	178
JOE HOWELL, CIVILIAN MEMBER	YES	200	160

Also present: Kelly Bevis, Wells Fargo Advisors; Lani Hall, Connor, McMillon, Mitchell & Shennum, PLLC; J. Luther King, Jr., Luther King Capital Management; Paul W. Greenwell, Luther King Capital Management; Vince G. Melashenko, Luther King Capital Management; Larry Jackson, Fire Retiree; Laura Hastings, Finance Director, City of Amarillo; and Andrea McDonald, Recording Secretary, City of Amarillo.

ITEM 1. Mr. Neely presented the minutes from the meeting held on April 16th, 2014. There were no questions or comments. Motion was made by Mr. Robinson, seconded by Mr. Mason and carried unanimously to approve the minutes as written.

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

Maturities

04/28/14	\$1,000,000.00 Par Value 2.05% Coupon – Maturity Date: 04/28/2014 BB&T Corporation	
	Total Proceeds:	\$ 1,000,000.00
	Total Costs:	\$ 1,020,894.00
	Net Gain (Loss):	(\$ 20,894.00)

Purchases

04/01/14	1,000,000 Par Value 1.375% Coupon – Maturity Date: 07/15/2017 Anheuser-Busch Inbev MDY/S&P: A2/A YTM: 1.24%	
	Total Costs:	\$ 1,004,270.00

Non-Cash Transactions

04/01/14	2 for 1 Stock Split EOG Resources Inc Com	
04/03/14	Non-Taxable Spin-Off Google Inc 1 Class C Share for Every Class A Share 1,500 Shares Each Class	

Mr. King and Mr. Greenwell also added explanation to the transactions. Mr. Robinson motioned to approve the Investment Resolution as presented. Mr. Mason seconded the motion and it carried unanimously.

ITEM 3. Summary of Revenue and Expenditures. Ms. Bonner presented the Fund's Summary of Revenue and Expenditures at April 30, 2014. She reviewed total receipts of approximately \$536 thousand versus total disbursements of about \$780 thousand and reported a total market value of \$148,012,091.96. Ms. Bonner stated that the Fund was invested approximately 13% in cash, 20% bonds and 67% in common stock. She added that the employee/employer contributions to the Plan for the month of April were made timely and at the correct percent of pay.

ITEM 4. Presentation of Investment Performance Review by Wells Fargo Advisors. Ms. Bevis presented the Capital Markets Review and the Fund's Investment Performance Analysis at March 31, 2014. She reported that the Fund experienced a great performance with regards to returns for the 1, 3, 5 and 10-year periods. Ms. Bevis stated that the Fund was awarded with return for the amount of risk taken, pointing out that the Fund's Sharpe Ratio was very good for the 5 and 10-year time periods. She added that the Fund's current asset

allocation was in range with its Policy. Reviewing the Fund's Performance Report, Ms. Bevis stated that Luther King Capital Management was to be commended for their work.

ITEM 5. Presentation and Discussion of Audited Financial Statements by Connor, McMillon, Mitchell & Shennum, PLLC. Ms. Hall presented the Fund's Audited Financial Statements at December 31st, 2013 and stated that the audit went really well and had no issues. She added that the Fund had fantastic internal controls. Ms. Hall reported that the audit presented an unmodified opinion, which was the best opinion that could be achieved. Mr. Howell motioned to approve the audit as presented. Mayor Harpole seconded the motion and it unanimously carried.

ITEM 6. Presentation of Investment Report by Luther King Capital Management. Mr. Greenwell announced that 2013 was a good year for the Fund. He reviewed the Fund's asset diversification at April 30th, 2014 and purchases and sales made between January 1st and April 30th, 2014. Mr. Greenwell noted total realized gains \$61 million since 1981. He reviewed the bond investment ratings and noted bonds weighted average maturity of 2.36 years. Mr. Melashenko added that the Firm was being very cautious, for there was a shortage of bonds at the current time. Mr. Greenwell reported that the Fund was able to meet its actuarial assumption since inception (March 1st, 1981) to April 30th, 2014, with an annualized return of 11.00%. He reviewed that the Fund's current value at April 30th, was \$148,029,084 compared to its initial value of \$5,877,136 at February 28th, 1981. Mr. King reported that the Luther King Capital Management Firm was in good shape. He reviewed that the AFRRF Portfolio was clean and had no risk on the balance sheet. He further reviewed that the portfolio had stayed fully invested during the 2013 rising interest rate environment. Mr. King advised the Board that the Fund held a high-grade portfolio. He reviewed the industry weightings of the Portfolio and reminded the Board that the weightings do not mirror the S&P 500. Mr. King presented and explained several different graphs from the Economic Chart Book at May 6, 2014 prepared by Luther King Capital Management.

ITEM 7. Consider Statement from Connor, McMillon, Mitchell & Shennum, PLLC. Mr. Neely presented a statement from Connor, McMillon, Mitchell & Shennum, PLLC (CMMS) in the amount of \$2,000.00 for professional services rendered in connection with the audit of the financial statements of the Fund ended December 31st, 2013. He reminded the Board that the City of Amarillo would pay for half of the cost of the Fund's audit and the Fund would pay the other half. Mr. Robinson made a motion to approve payment in the amount of \$1,000.00 to CMMS. The motion was seconded by Mr. Mason and unanimously carried.

ITEM 8. Consider Statement from Fulbright & Jaworski, LLP. Mr. Robinson motioned to approve payment in the amount of \$2,076.45 to Fulbright & Jaworski, LLP for professional services rendered through March 31st, 2014. Mr. Mason seconded the motion and it carried unanimously.

ITEM 9. Consider Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Kevin J. Kaplan. Ms. Bonner motioned to approve Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Kevin J. Kaplan in the gross amount of \$5,966.82 upon receipt of proper paperwork. Mr. Robinson seconded the motion and it unanimously carried.

ITEM 10. Consider Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Andrew M. Murphy. Mr. Mason motioned to approve Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Andrew M. Murphy in the gross amount of \$1,332.24. The motion was seconded by Mr. Howell and carried unanimously.

ITEM 11. Consider Form 100, Update of Beneficiary, for Gregg A. Gattis. Motion to approve Form 100, Update of Beneficiary, for Gregg A. Gattis was made by Mr. Robinson, seconded by Mr. Preston and unanimously carried.

ITEM 12. Consider Form 100, Update of Beneficiary, for Brian D. Wood. Motion was made by Mr. Robinson, seconded by Mr. Preston, and unanimously carried to approve Form 100, Update of Beneficiary, for Brian D. Wood.

ITEM 13. Consider Form 100, Update of Beneficiary, for Troy D. Waller. Mr. Robinson motioned to approve Form 100, Update of Beneficiary, for Troy D. Waller. Mr. Preston seconded the motion and it carried unanimously.

ITEM 14. Consider Retirement Benefits for Troy D. Waller. Motion was made by Mr. Mason, seconded by Mr. Robinson, and unanimously carried to approve retirement benefits for Troy D. Waller in the amount of \$6,904.54 monthly.

ITEM 15. Consider Retirement Benefits for Frank R. Wray. Mr. Mason motioned to approve retirement benefits for Frank R. Wray in the amount of \$4,281.91 monthly and a lump sum payment of \$118,137.15. Mr. Robinson seconded the motion and it carried unanimously.

ITEM 16. Consider Approval of Qualified Domestic Relations Order (QDRO) for Teddy G. Acklin. Mr. Neely reviewed that the Fund's attorneys had reviewed the QDRO for Teddy G. Acklin and affirmed that the

QDRO was qualified. Mr. Robinson motioned to approve the QDRO for Teddy G. Acklin. Mr. Mason seconded the motion and it unanimously carried.

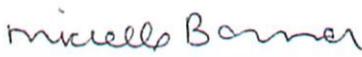
ITEM 17. Public Comments. Mr. Jackson thanked the Board and Luther King Capital Management. Mr. Preston motioned to adjourn the meeting. Mr. Mason seconded the motion and the meeting adjourned.

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



Joe Neely, Chairman

ATTEST:



Michelle Bonner, Secretary