STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 17th day of August 2016, the Amarillo Firemen's Relief and Retirement Fund Board of Trustees met at 10:00 a.m. in regular session in Room 305, located on the third floor of City Hall at 509 S.E. 7th Avenue, Amarillo, Texas.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
PAUL HARPOLE, MAYOR	No	62	36
TONY ROBINSON, CHAIRMAN	Yes	152	139
BRANDON MASON, VICE-CHAIRMAN	Yes	44	41
MICHELLE BONNER, SECRETARY	No	42	35
JEROME DRERUP, FIREFIGHTER	Yes	21	21
JOE HOWELL, CIVILIAN MEMBER	Yes	227	182
DEAN FRIGO, CIVILIAN MEMBER	Yes	18	17

Also in attendance were the following:

ANDREA MCDONALD	RECORDING SECRETARY, CITY OF AMARILLO
STELLA KNICKERBOCKER	SR. VICE PRESIDENT & TRUST OFFICER, AMARILLO NATIONAL BANK
STEPHEN WHEELER	INVESTMENT COUNSELOR, WELLS FARGO ADVISORS
MARY DAVIDSON	INVESTMENT COUNSELOR, ABEL NOSER CORP
RON POWERS	FIREFIGHTER, CITY OF AMARILLO

Mr. Robinson established a quorum, called the meeting to order at 10:00 a.m., and the following items of business were conducted (note – agenda items were taken out of order, but are reported in order shown on agenda):

ITEM 1. Consider Minutes. Mr. Robinson presented the minutes from the last regular meeting held July 20, 2016. Mr. Mason made a motion to approve the minutes as presented. Mr. Howell seconded the motion and it unanimously carried.

ITEM 2. Consider Investment Resolution. Ms. McDonald presented the Fund's Investment Resolution at July 31, 2016 and reviewed the Fund's sales and purchases for the month. A motion was made by Mr. Howell, seconded by Mr. Mason and unanimously carried to approve the investment resolution as presented.

ITEM 3. Presentation of Revenue and Expenditures Summary. Ms. McDonald presented the Fund's Summary of Revenue and Expenditures at July 31, 2016 and reported a total market value of $150,352,720.17. She reviewed total receipts of $1,495,730.53 were over total expenses of $1,013,664.79. Ms. McDonald reported the Fund was invested approximately 2% in cash, 30% in bonds and 68% in common stock. She noted that for the month of July, all employer/employee contributions were made to the Plan on time and at the correct percentage amounts.

ITEM 4. Presentation of Trading Report by Abel Noser. Ms. Davidson presented the Fund's Trading Summary Report at January 1, 2016 to June 30, 2016. Reviewing the Fund's trading profile and historical summary; she reported commission costs of 3.7 cents per share which ranked in the 88th percentile. Ms. Davidson reported execution costs of 2.77 cents, ranking in the 66th percentile. She noted that because the costs were reflected in only one day of trading, there was no cause for concern. Ms. Davidson passed out a press release regarding Abel Noser's transition to a second-generation management team and receiving investment from Estancia Capital Partners. She advised that the transition will be a seamless one with no changes for the Fund.

ITEM 5. Presentation of Investment Performance by Wells Fargo Advisors. Mr. Wheeler presented an Economic Overview and the Fund's Investment Performance Analysis at June 30, 2016. He reported that the Fund was ahead of the Policy for the latest quarter with returns of 2.32% versus 2.17%. Overall, he reviewed that the Plan had taken an acceptable amount of risk and that the money manager had added value to the Portfolio.

ITEM 6. Discussion and Consideration of 2015 Actuarial Valuation, Experience Studies and Benefit Statements. The Board made a teleconference call to the Fund's Actuary, John M. Crider, Jr. for this item. Mr. Crider reviewed his study of the rate of return assumption for the December 31, 2015 Valuation with the Board. He explained that after making changes to the Fund's demographic assumptions, the amortization period was 23.5 years using an assumed rate of return of 8.25%. Mr. Crider further explained that the amortization period rose to 42.0 years when the assumed rate of return was lowered to 8.00% and noted that over time it would be possible to lower the rate of return to 8.00%; however, such a change was not recommended at this time unless contributions rates were increased. He reviewed that the City of Amarillo's current contribution rate was 18.83% of pay and that the City was currently considering raising its contribution rate by 0.74% to a total contribution rate of 19.57% of pay.

Mr. Crider stated that with the City's newly proposed rate, the amortization period would decrease to 34.5 years with an assumed rate of return of 8.00%, which was an acceptable according to Pension Review Board guidelines. The Board discussed other possible studies for the next valuation that may help reduce the amortization period. Mr. Frigo made a motion for Mr. Crider to perform the Valuation using the City's proposed increase in contribution rate to a total 19.57%. Mr. Drerup seconded the motion and it carried unanimously.

ITEM 7. Review Written Investment Report, Privacy Notice and Form ADV Part 2A (Brochure) from Luther King Capital Management. The Board acknowledged receipt of the written Investment Report, Privacy Notice and Form ADV Part 2A (Brochure) from Luther King Capital Management.

ITEM 8. Consider Statement from Norton Rose Fulbright. A motion was made by Mr. Drerup, seconded by Mr. Howell, and unanimously carried to approve payment in the amount of $1,818.65 to Norton Rose Fulbright for professional services rendered to June 30, 2016.

ITEM 9. Consider Statement from Connor, McMillon, Mitchell & Shennum, PLLC. Mr. Robinson presented a statement from Connor, McMillon, Mitchell & Shennum, PLLC (CMMS) in the amount of $3,300.00 for professional services rendered in connection with the audit of the Fund's financial statements ended December 31st, 2015. He stated that the City would pay for half the cost of the Fund's audit. A motion was made by Mr. Mason to approve payment in the amount of $1,650.00 to CMMS. Mr. Howell seconded the motion and it carried unanimously.

ITEM 10. Consider Termination of Monthly Retirement Benefit and Disbursement of Lump Sum Death Benefit for Orville George Greear. A motion was made by Mr. Drerup to approve termination of Orville George Greear's monthly retirement benefit and disbursement of lump sum death benefit. The motion was seconded by Mr. Mason and unanimously carried.

ITEM 11. Consider Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Brian D. Wood. Mr. Mason motioned to approve payment of the Qualified Domestic Relations Order (QDRO) on file from Mr. Wood's application for refund of retirement contributions and to table the remaining amount of Mr. Wood's refund of contributions to allow appropriate time for a second QDRO to be presented to the Board for consideration. Mr. Drerup seconded the motion and it carried unanimously.

ITEM 12. Consider Continuation of Disability Benefit for Patricia Slaughter. The Board reviewed financial documentation submitted by Patricia Slaughter. A motion was made by Mr. Drerup, seconded by Mr. Howell and unanimously carried to approve continuation of Patricia Slaughter's disability benefit.

ITEM 13. Consider Application for Off-Duty Retirement Benefits for Ronald D. Powers. The Board convened into Executive Session, under Sections 551.074 and 551.0785 of the Texas Open Meetings Act, at 11:26 a.m. At 11:29 a.m., the Board completed its Executive Session. A motion was made by Mr. Drerup to approve the application for off-duty retirement benefits for Ronald D. Powers. The motion was seconded by Mr. Mason and unanimously carried.

ITEM 14. Consider Off-Duty Retirement Benefits for Ronald D. Powers. A motion was made by Mr. Mason, seconded by Mr. Drerup and carried unanimously to approve off-duty retirement benefits for Ronald D. Powers upon completion of paperwork.

ITEM 15. Public Forum. There were no public comments at this meeting.

There, being no further business, the meeting adjourned at 11:35 a.m. This meeting was recorded and all comments are on file with the City Finance Department.

Tony Robinson, Chairman

ATTEST:

Michelle Bonner, Secretary