

STATE OF TEXAS  
COUNTIES OF POTTER  
AND RANDALL  
CITY OF AMARILLO

On the 20<sup>th</sup> day of September 2017, the Amarillo Firemen’s Relief and Retirement Fund Board of Trustees met at 10:00 a.m. in regular session in Room 306, 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
GINGER NELSON, MAYOR	No	5	0
TONY ROBINSON, CHAIRMAN	Yes	165	152
BRANDON MASON, VICE-CHAIRMAN	Yes	56	52
MICHELLE BONNER, SECRETARY	Yes	55	45
JEROME DRERUP, FIREFIGHTER	Yes	34	34
JOE HOWELL, CIVILIAN MEMBER	Yes	240	193
DEAN FRIGO, CIVILIAN MEMBER	Yes	31	28

Also in attendance were the following:

LAURA STORRS  
LAURO ARIAS  
CHUCK CAMPBELL

FINANCE DIRECTOR, CITY OF AMARILLO  
RECORDING SECRETARY, CITY OF AMARILLO  
ATTORNEY, JACKSON WALKER LLP

Mr. Robinson established a quorum, called the meeting to order at 10:01 a.m., and the following items of business were conducted:

ITEM 1. Consider Minutes. Mr. Robinson presented the minutes from the last regular meeting held August 16, 2017. Mr. Mason made a motion to approve the minutes as presented. Mr. Drerup seconded the motion and it carried unanimously.

ITEM 2. Consider Investment Resolution. Ms. Storrs reported that there were no investment transactions for the month of August 2017. Therefore, there was no investment resolution to present.

ITEM 3. Presentation of Revenue and Expenditures Summary. Ms. Storrs presented the Fund’s Summary of Revenue and Expenditures at August 31, 2017 and reviewed a total market value of \$161,737,361.12. She reviewed total receipts of \$597,236.63 versus total disbursements of \$1,111,351.33. Ms. Storrs explained that the Fund’s investments were within Policy limits with 1.23% invested in cash, 26.09% in bonds and 72.68% in stock. She noted that all employee/employer contributions were made on time and at the correct percentages for the month of August.

ITEM 4. Consider Statement from Amarillo National Bank. A motion was made by Ms. Bonner to approve payment in the amount of \$5,000.00 to Amarillo National Bank for the Fund’s quarterly trust fees through the period ending 8/31/2017. Mr. Drerup seconded the motion and it carried unanimously.

ITEM 5. Consider Statement from Luther King Capital Management. Motion to approve payment in the amount of \$100,435.00 to Luther King Capital Management for quarterly billing period July 1, 2017 through September 30, 2017 was made by Ms. Bonner, seconded by Mr. Drerup, and it carried unanimously.

**ITEM 6.** Consider Statement from Abel Noser. Ms. Bonner motioned to approve payment in the amount of \$1,500.00 to Abel/Noser Solutions for transaction cost analysis for the period ending June 30, 2017. The motion was seconded by Mr. Drerup and unanimously carried.

**ITEM 7.** Consider Statement from Wells Fargo Advisors. A motion was made by Ms. Bonner to approve payment in the amount of \$4,459.43 to Wells Fargo Advisors for consulting fees from the period April 1, 2017 through June 30, 2017. Mr. Drerup seconded the motion and it carried unanimously.

**ITEM 8.** Consider Statement from Jackson Walker LLP. A motion was made by Ms. Bonner, seconded by Mr. Drerup, and unanimously carried to approve payment in the amount of \$2,496.00 to Jackson Walker LLP for legal services rendered for the period ending August 31, 2017.

**ITEM 9.** Presentation of Trading Report from Abel Noser. The Board made a teleconference call to Ms. Davidson with Abel Noser who presented the Fund's Trading Summary Report from January 1, 2017 to June 30, 2017. In reviewing the Fund's trading profile and historical summary, she reported commission costs of 4.0 cents per share which ranked in the 95<sup>th</sup> percentile. Ms. Davidson reported total costs, including both commission and execution costs, of 11.05 cents, ranking in the 95<sup>th</sup> percentile. She noted that because the costs were reflected in only one day of trading, there was no cause for concern.

**ITEM 10.** Consider Termination of Widow's Benefit for Betty A. Davis. Ms. Bonner made a motion to approve termination of widow's benefit for Betty Davis. The motion was seconded by Mr. Drerup and carried unanimously.

**ITEM 11.** Discuss and Consider changing the Investment Asset Allocation to Incorporate a New Investment Manager. The Board made a teleconference call to Kelly Bevis with Wells Fargo Advisors who reviewed a small cap equity manager search looking at both active and passive managers that would help in meeting the Fund's earnings goal. A motion was made by Mr. Mason to move forward with paperwork to establish new accounts with Virtus KAR Small-Cap Core and Vanguard Small Cap Index, seconded by Mr. Howell and the motion carried unanimously. A second motion was made by Mr. Frigo to give Luther King notice that \$10 million will be moved to Virtus KAR Small-Cap Core and a total of \$10 million ratably beginning in November 2017 to Vanguard Small Cap Index, seconded by Ms. Bonner and the motion carried unanimously.

**ITEM 12.** Discussion of the Plan Document, Disability Policy, Model Qualified Domestic Relations Order (QDRO), and the 2017 Ballot Election from the Fund's Legal Counsel. Mr. Campbell discussed his review of the Plan Document, Disability Policy, Model Qualified Domestic Relations Order (QDRO), and the 2017 Ballot Election. Mr. Campbell recommended that after the ballot process is complete a restatement of the Plan Document will be necessary to include administrative changes.

**ITEM 13.** Consider changes to the Disability Policy as recommended by the Fund's Legal Counsel. Mr. Campbell made some suggestions to the Board regarding the Fund's disability policy. There was no action taken on this item and it will be put on a future agenda if needed.

**ITEM 14.** Consider changes to the Model Qualified Domestic Relations Order (QDRO) as recommended by the Fund's Legal Counsel. Mr. Campbell covered the differences between the Fund's model QDRO and other pension plans' model QDROs. There was no action taken on this item and it will be put on a future agenda if needed.

**ITEM 15.** Discussion and Consideration calling the 2017 Ballot Election for the Amarillo Firemen's Relief and Retirement Fund. A motion was made by Mr. Mason to approve the 2017 Ballot Election once the editing changes are approved by the Fund's Actuary, Mr. Drerup seconded the motion and it unanimously carried.

**ITEM 16.** Legislative update from the Fund's Legal Counsel. Mr. Campbell mentioned that Dallas and Houston were the focal point with their pension issues; both cities lobbied for state pension laws. Both bills passed establishing financial benchmarks for pensions going forward.

ITEM 17. Public Forum. Marc Lusk spoke regarding breaks in service. Mr. Lusk also mentioned there are several places in the Plan document that have gender specific references that the Board might want to consider revising.

There, being no further business, Mr. Frigo made a motion to adjourn the meeting. Ms. Bonner seconded the motion and the meeting adjourned at 12:44 p.m. This meeting was recorded and all comments are on file with the City Finance Department.

  
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Tony Robinson, Chairman

ATTEST:

  
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Michelle Bonner, Secretary