

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 16th day of May 2018, 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
JOSEPH PETERSON, MAYOR APPOINTEE	Yes	1	1
TONY ROBINSON, CHAIRMAN	Yes	173	160
BRANDON MASON, VICE-CHAIRMAN	Yes	64	58
MICHELLE BONNER, SECRETARY	Yes	63	53
ARICK WRAY, FIREFIGHTER	Yes	5	5
RODNEY RUTHART, CIVILIAN MEMBER	No	4	3
DEAN FRIGO, CIVILIAN MEMBER	Yes	39	34

Also in attendance were the following:

LAURA STORRS	FINANCE DIRECTOR, CITY OF AMARILLO
LAURO ARIAS	RECORDING SECRETARY, CITY OF AMARILLO
LESLIE SCHMIDT	SENIOR ASST. CITY ATTORNEY, CITY OF AMARILLO
LISA SIMPSON	ASST. VICE PRESIDENT & TRUST OFFICER, AMARILLO NATIONAL BANK
LUTHER KING	INVESTMENT MANAGER, LUTHER KING CAPITAL MANAGEMENT
PAUL GREENWELL	INVESTMENT MANAGER, LUTHER KING CAPITAL MANAGEMENT
KELLY BEVIS	INVESTMENT COUNSELOR, WELLS FARGO ADVISORS
STEPHEN WHEELER	INVESTMENT COUNSELOR, WELLS FARGO ADVISORS

Mr. Robinson established a quorum, called the meeting to order at 10:03 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 April 25, 2018. Ms. Bonner made a motion to approve the minutes as presented. Mr. Wray seconded the motion and it carried unanimously.

ITEM 2. Consider Investment Resolution. Ms. Storrs presented the Fund’s Investment Resolution at April 30, 2018. A motion was made by Ms. Bonner, seconded by Mr. Frigo and unanimously carried to approve the investment resolution as presented.

ITEM 3. Presentation of Revenue and Expenditures Summary. Ms. Storrs presented the Fund’s Summary of Revenue and Expenditures at April 30, 2018 and reviewed a total market value of \$171,611,358.55. She reviewed total receipts of \$4,695,205.28 versus total disbursements of \$947,884.52. Ms. Storrs explained that the Fund’s investments were close to the Policy limits with 4.18% invested in cash, 20.55% in bonds and 75.27% in stock. Ms. Storrs noted that all employee/employer contributions were made on time and at the correct percentages for the month of April.

ITEM 4. Presentation of the Mayor’s Board Appointee. Joseph Peterson was appointed by the Mayor to the Amarillo Firemen’s Relief and Retirement Fund Board of Trustees.

ITEM 5. Oath of Office. The Board administered the Oath of Office to Mr. Peterson.

ITEM 6. Consider Statement from Frost Bank. A motion to approve payment in the amount of \$43.37 to Frost Bank for a custody fee from 3/15/18 – 4/15/2018 was made by Ms. Bonner, seconded by Mr. Mason, and carried unanimously.

ITEM 7. Consider Statement from Kayne Anderson Rudnick (KAR). A motion to approve payment in the amount of \$24,535.11 to Kayne Anderson Rudnick (KAR) for investment management for the quarter ending March 31, 2018 was made by Ms. Bonner, seconded by Mr. Mason, and carried unanimously.

ITEM 8. Consider Form PRB-1000. Mr. Robinson presented the Fund's Investment Returns and Assumptions Report (PRB-1000 Form) at December 31, 2017 as prepared by the Fund's actuary, John M. Crider, Jr. A motion was made by Mr. Mason, seconded by Ms. Bonner and carried unanimously to approve the Form PRB-1000 as presented.

ITEM 9. Consider Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Chad E Goen. Mr. Wray made a motion to approve Form 135, Termination of Employment Application for Refund of Retirement Contributions, for Chad E. Goen. Mr. Mason seconded the motion and it carried unanimously.

ITEM 10. Consider Form 100 for New Recruit Brandon G. Perdue. A motion was made by Mr. Mason, seconded by Mr. Wray and carried unanimously to approve Brandon G. Perdue's Form 100.

ITEM 11. Presentation of Investment Report by Luther King Capital Management. Mr. King reviewed the status of the Luther King Capital Management Company and gave the Current Economic Review and Outlook at March 31, 2018. Mr. Greenwell reviewed the asset diversification of the funds managed by Luther King Capital Management at April 30, 2018 and stated that the total market value of the Fund was \$157,213,183. He added that approximately 73.2% of the Fund's Portfolio was invested in common stock, 22.4% was in fixed income, 4.3% was invested in cash, and 0.2% was in accrued income. Mr. Greenwell explained that the weighted average of the equity ranking by quality rating was A2, which reflected a very high rating for stocks. He noted that the weighted average maturity in fixed income was 2.22 years. Mr. Greenwell reported that the total Portfolio had an annualized return since inception of 10.64%.

ITEM 12. Presentation of Investment Performance by Wells Fargo Advisors. Mr. Wheeler reviewed the Capital Markets Summary for period ending March 31, 2018. Ms. Bevis reviewed the Fund's Investment Performance Summary at March 31, 2018 and reported the Luther King experienced a great quarter and had outperformed the Policy for the quarter, year-to-date, one year, and three year time periods. Kayne Anderson Rudnick (KAR) with just one quarter was in the 7th percentile in their peer group and had outperformed the policy for the quarter. Ms. Bevis noted that overall the Fund was in good shape.

ITEM 13. Presentation of Investment Performance by Kayne Anderson Rudnick (KAR). Item 13 was tabled to a date to be determined.

ITEM 14. Presentation and Discussion of Preliminary Actuarial Results and Discussion of Actuarial Assumptions. Ms. Bonner and Mr. Robinson reviewed the preliminary actuarial results with the Board and stated that the Pension Review Board wants an amortization period less than 30 years and an assumed rate of return of 7.5% or less.

ITEM 15. Consider Attendance at 2018 TLFRA Peer Review Training. A motion was made by Mr. Mason, seconded by Ms. Bonner and unanimously carried to approve travel expenses for any Board member wanting to attend the 2018 TLFRA Peer Review Training in Austin, Texas May 9-10, 2018.

ITEM 16. Discussion on Future Agenda Items. Mr. Mason stated an upcoming item will include a discussion on the education received at the TEXPERS Annual Conference.

ITEM 17. Public Forum. There were no comments from the public at this meeting.

There, being no further business, the meeting adjourned at 11:50 a.m. This meeting was recorded and all comments are on file with the City Finance Department.



Tony Robinson, Chairman

ATTEST:



Michelle Bonner, Secretary