

CITY OF ORANGE
FIREMEN'S RELIEF AND RETIREMENT FUND
BOARD OF TRUSTEE'S MEETING

March 31, 2016

The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for its monthly board meeting on March 31, 2016, at the City of Neighborhood Building Facility, Orange, Texas with the following members present:

Jody Cowart,	Chairman
Gail English,	Secretary/Treasurer
Jason Maddox,	Member Trustee
Sherry Jackson,	Trustee
Walter Riedel,	Citizen Trustee
Joe Love,	Citizen Trustee

Guests: Tim Sharpe
Tim Ng

The meeting was called to order at 9:05 am.

Standing items:

A motion was made by Sherry Jackson to approve the minutes of the meetings held on January 21, 2016. There was not a quorum for the February 18th board meeting so the minutes carried over. The motion was seconded by Jason Maddox. All present are in favor. No one opposed. Motion passed unanimously.

A motion was made by Jody Cowart to approve the monthly benefit payments for April, May and June, 2016. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & action item: A motion was made by Jason Maddox to approve re-appointment of Walter Riedel as Citizen board member for another two year term. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

Old Business:

Discussion & possible action item: Review of the Funds' investment performance:

-Markets are not performing adequately.

-TEXPERS annual Asset Allocation Report indicates the Fund is meeting its actuarial rate of return on average because it reports Gross returns as of September 30th of each year. The quarterly reports received from Tim Sharpe indicate the Fund is NOT meeting its actuarial rate of return. The quarterly reports are based on Net of Fees returns. The difference in the two reports would be the net basis fees which run 110-115 basis points.

-Tim Sharpe suggested possibly adding additional managers to diversify the fixed income allocation.

-At Tim Sharpe's suggestion, the Board has requested that Tim bring more

information to determine the feasibility of replacing three domestic equity managers with an All Cap Core Manager for more agility in the market.

-The Board has also requested that Tim Sharpe provide more performance information on the managers over the last ten calendar years with both gross and net numbers.

Discussion and possible action item: Review of the current investment policy. The question was asked if the managers were mandated to stay fully funded even if the market is down. The Fund currently does not have active tactical asset allocation funds. It is Tim Sharpe's opinion that active tactical asset allocation over time does not work as well as a long term program.

Jason Maddox suggested the Fund set a specific limit as to how many quarters a manager is allowed to fail to meet their benchmark before action is taken.

New Business:

Discussion & action item: Motion was made by Joe Love to approve payment to Hund, Krier, Wilkerson & Wright, P.C. for review of a draft QDRO. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & action item: Motion was made by Sherry Jackson to approve the Domestic Relations Order between Troy White and Tausha White as a Qualified Domestic Relations Order. The motion was seconded by Jason Maddox. All present are in favor. No one opposed. Motion passed unanimously. For future QDROs, it was suggested that the wording for the fees to be collected from the participants be changed to "Appropriate and Reasonable fees". This will take care of any fluctuation in the fees.

Discussion & action item: Motion was made by Joe Love to approve payment to John Crider for preparation of GASB No 68 disclosures. The motion was seconded by Gail English. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & action item: A motion was made by Joe Love to change the time for the Firemens' Pension meetings from 10:00 a.m. to 9:00 a.m. The motion was seconded by Jason Maddox. All present are in favor. No one opposed. Motion passed unanimously.

Discussion item: The next date for the basic core courses offered will be in August 2016. There is only one course being offered online at this time. There are still five trustees still needing to take the training courses.

Discussion item: The Fund is on notice that an implementation of the Funding Soundness Restoration Plan for the Orange Firemens' Relief & Retirement Fund is required to be filed with the Pension Review board not

later than November 1, 2016. John Crider is working on the GASB 67 and will have more accurate numbers to report to the PRB that will reflect the recent members' contribution increases. Gail English noted this issue has been turned over to the City's attorney for further research before the next fire union negotiations.

Announcements:

Gail English announced her retirement from the City of Orange as Finance Director and from the Firemen's Relief & Retirement Fund as Secretary/Treasurer effective May 31, 2016.

A motion was made by Sherry Jackson to adjourn the meeting. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.