

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

February 16, 2017

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The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for its monthly board meeting on February 16, 2017, at the City of Neighborhood Building Facility, Orange, Texas with the following members present:

Jody Cowart,	Chairman
John Bilbo,	Vice-Chairman
Jason Maddox,	Fire Fighter Trustee
Cheryl Zeto,	Secretary/Treasurer

Guest: Tim Sharpe, Morgan Stanley Wealth Management  
Shawn Oubre', City Manager

The meeting was called to order at 10:05 am.

**Standing items:**

A motion was made by Cheryl Zeto to approve the minutes of the meeting held on December, 2016. There was not a quorum for the January board meeting Therefore the minutes carried over. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

A motion was made by Cheryl Zeto to approve the election results for the fire fighter trustee position which expired January 31, 2017. Jason Maddox was re-elected by the fire fighter members with 71% participation. The motion was seconded by John Bilbo. All present are in favor. No one opposed. Motion passed unanimously. Let the record show that Jason Maddox read the oath of office and agreed to it.

Discussion item: Review of January monthly investment statements from MorganStanley. The question was put to Tim Shape concerning a missing cost value on the Delaware statements that has been missing since July 2016 due to a merger event. Tim Sharpe said he would check on this issue and get back with the board. The monthly statements will continue to be provided for the boards review each month. Any questions or concerns can be brought to Tim Sharpe's attention at the quarterly review.

**New Business:**

Discussion & action item: Since the vacant trustee position won't be filled until the March meeting there is still time to accept nominations or applications from interested persons for this position. A motion was made by Jason Maddox to table this item until the March meeting. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & action item: Quarterly review and rebalancing for the quarter ending 12/31/2016. Tim Sharpe is in route so a motion was made by Jody Cowart to move this item further down the list until Tim's arrival. The

motion was seconded by John Bilbo. All present are in favor. *No one opposed. Motion passed unanimously.*

Discussion & action item: The TEXPERS conference will be held April 9<sup>th</sup> - 12<sup>th</sup> in Austin, Texas this year. Registration is currently open for this event. Hotel registrations will need to be made soon. Jody Cowart will not be available to attend. Jason Maddox said yes he would like to attend the conference and John Bilbo said he would get back with a definite yes or no. A motion was made by Jody Cowart to approve expenses to send two trustees to the TEXPERS conference April 9-12, 2017. The motion was seconded by Cheryl Zeto. All present are in favor. *No one opposed. Motion passed unanimously.*

Discussion & action item: A motion was made by Jody Cowart to delegate Jason Maddox and John Bilbo as delegates for the TEXPERS Business meeting April 9<sup>th</sup>, 2017. The motion was seconded by Cheryl Zeto. All present are in favor. *No one opposed. Motion passed unanimously.*

Discussion & action item: Review and approve contribution refund applications. There were no applications turned in to review at this time.

Discussion & action item: Tim Sharpe arrived late and will now present the quarterly performance review and rebalancing.

The 4<sup>th</sup> quarter was mixed. The Bonds were down by 3% while the equities were strong. Columbia Management is doing a good job while the others are struggling. Polen Capital only has one quarter to report so far. The portfolio ended the quarter with a balance of \$7,995,413.82. The return, net of fees was a negative -.97% for the quarter and only 4.95% year to date. The performance return since inception in 2004 is just 4.99% according to the performance summary report. The investment performance has not met the actuarial return assumptions since 2004.

Cash flow and rebalancing: Federated is below their minimum target range by \$200,000 and Glovista is below their mid target range by \$20,000. Tim Sharpe recommends rebalancing by pulling funds from Columbia to bring Federated and Glovista back within their target ranges. Jason Maddox noted that since the bond market is doing so poorly right now that it would not seem wise to throw more funds into the bond market. After further discussion a ***motion was made by Jody Cowart to modify the rebalancing worksheet by moving the \$20,000 from Columbia to Glovista Emerging Markets and not correct Federated at this time.*** The motion was seconded by Jason Maddox. All present are in favor. *No one opposed. Motion passed unanimously.*

Discussion & action item: Review and approve 2017 Annual Financial report to the Pension Review Board. Due to paper mix up the report to be submitted to the PRB was not available for the board members to review. It was noted, however, that the financial report to be submitted is balanced. A motion

was made by Jody Cowart to have the report emailed to every trustee for individual review and approval. The motion was seconded by Jason Maddox. All present are in favor. *No one opposed. Motion passed unanimously.*

Discussion item: Review of PRB trustee training requirements. All current trustees are up to date on their training.

Announcements:

Tim Sharpe will be moving to Austin and will be joining an enhanced team to better serve his Morgan Stanley clients. Tim Ng will be retiring.

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