

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

April 20, 2017

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The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for a board meeting on April 20, 2017, at the City of Orange 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
Kenneth Parsons,	Citizen Member Trustee
Sherry Jackson,	Citizen Member Trustee
Tim Sharpe,	Morgan Stanley Wealth Management
Jay Trahan,	City Representative

The meeting was called to order at 10:03 am.

**Standing items:**

A motion was made by Sherry Jackson to approve the minutes of the meeting held on March 21, 2017. The motion was seconded by Cheryl Zeto. All present are in favor. No one opposed. Motion passed unanimously.

Action item: Kenneth Parsons, elected by the board in the March 21st board meeting, has completed the Oath of Office required by the Plan.

Discussion item: After a quick review of the March statements for MorganStanley, it was noted that any issues discovered during the balancing process have been turned over to Tim Sharpe's research team. The March statement has been reconciled.

**New Business:**

Discussion & Action item: Tim Sharpe noted that his assistant Tim Ng has retired and Tim Sharpe currently has new team in place. Tim Sharpe also noted that He and his new team are now located in Austin, Texas. New contact information has been provided.

For the Quarter ending March 31, 2017, the Fund is up 5.26% net of fees and has outperformed the benchmarks. The Fund is up 9.62% year to date. The Fund's net earnings are slightly more than the negative cash flow which covers the monthly benefit payments. An increase in contribution rates would help to correct the negative cash flow.

All the money managers have produced positive returns for the quarter. Great Lakes and Federated are struggling a bit but still showed positive returns for the quarter. Tim Sharpe is satisfied with the quarterly performance and recommends no changes in the managers. No Action was required for this item.

Discussion & Action item: Tim noted that any changes in distribution of funds should continue to go through Pamela Dunn. As for rebalancing the

funds between managers, Federated is below their minimum target set by the current Investment Policy. Tim Sharpe recommends pulling funds from all the equity managers totaling \$325,000 to bring Federated back up to their minimum asset allocation target range. Jason Maddox made a motion to approve the rebalancing recommendation to transfer \$325,000 from the equity managers to Federated, bringing Federated back to their minimum target range set by the current IP. The motion was seconded by Kenneth Parsons. All present are in favor. No one opposed. The motion passed unanimously.

Discussion item: TEXPERS 28<sup>th</sup> Annual conference being held April 9-12, 2017 in Austin, Texas. Jason Maddox attended this conference. In summary, Jason noted that there were a few bills in legislature right now that bear watching. House bill #715 is one which affects cities ability to annex property. Jay Trahan noted there is ample support against this bill. Another item trying to be introduced into legislature is the demise of defined benefit plans. Jason has several legislative downloads he will print for those interested.

A motion was made by Jody Cowart to once again approve the reimbursement of travel expenses incurred by Jason Maddox for the TEXPERS conference. The motion was seconded by Kenneth Parsons. All present are in favor. No one opposed. The motion passed unanimously.

Announcements: None

A motion was made by Jody Cowart to adjourn the meeting at 10:50. The motion was seconded by Jason Maddox. All present are in favor. No one opposed. Motion passed unanimously.