

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

August 10, 2017

The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for a board meeting on August 17, 2017, at the City of Orange Neighborhood Building Facility, Orange, Texas with the following members present:

Jody Cowart,	Chairman
Cheryl Zeto,	Secretary/Treasurer
John Bilbo,	Vice-Chairman
Jason Maddox,	Firefighter Trustee
Sherry Jackson,	Mayor Representative
Greg Gravett,	Firefighter member
Tim Sharpe,	Morgan Stanley/Graystone
Jay Trahan,	City of Orange/EDC

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

Standing items:

A motion was made by Cheryl Zeto to approve the minutes of the meeting held on August 10, 2017. The motion was seconded by John Bilbo. All present are in favor. No one opposed. Motion passed unanimously.

A review of the monthly investment statements showed the statement balanced and any previous issues were resolved.

New Business:

Discussion & Action item: Review and acknowledge receipt of the corrected 2016 Financial Audit. Corrections were made on pages four (4) and six (6). A motion was made by Jody Cowart to acknowledge receipt of the corrected 2016 Financial Audit. 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 Cheryl Zeto to approve payment to Charles Reed & Associates for the 2016 Financial Audit. The motion was seconded by John Bilbo. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & Action item: Review of Fund's investment performance and rebalancing after quarter ending 06/30/2017.

There is concern over the Fund's performance not meeting the actuarial assumption of 7.75% per year net of expenses. The Fund earned 3.8% net of fees for the quarter ending 6/30/2017 and 11.47% for the trailing 12 months. Tim recommended staying with the emerging markets allocation currently in place. Other ideas to improve the investment performance include restructuring the fixed income allocation to include alternative investments or possibly shorten the fixed income portfolio. Also consider restructuring the large cap equity funds with a mix of passive and active funds. Overall the investment allocation is good. Meanwhile funds need to

be moved to Federated to bring the manager back to its target minimum established by the Investment Policy. A motion was made by Jody Cowart to rebalance Federated to target minimum based on recommendations by Tim Sharpe. The motion was seconded by John Bilbo. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & Action item: A motion was made by Sherry Jackson to approve travel expenses for one (1) trustee to attend the TEXPERS Basic Trustee training scheduled for October 20, 2017 in Austin, TX. The motion was seconded by John Bilbo. All present are in favor. No one opposed. Motion passed unanimously.

Discussion & Action item: The annual TLFFRA conference will be held in The Woodlands, TX October 1 -3, 2017. Those attending would meet the continuing education requirements established by the PRB. A motion was made by Jody Cowart to approve travel expenses for up to eight (8) to attend the annual TLFFRA conference October 1-3, 2017. The motion was seconded by Cheryl Zeto. All present are in favor. No one opposed. Motion passed unanimously.

Announcements: None to record.

A motion was made by Jody Cowart to adjourn the meeting at 11:35 pm. The motion was seconded by John Bilbo. All present are in favor. No one opposed. Motion passed unanimously.