

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

October 16, 2014

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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 October 16, 2014 at the City of Neighborhood Building Facility, Orange, Texas with the following members present:

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

Tim Ng, Morgan Stanley Wealth Management

The meeting was called to order at 10:04 a.m.

**Standing items:**

Motion was made by Sherry Jackson to approve the minutes of the meeting held on August 21, 2014. There was not a quorum for the September 18<sup>th</sup> meeting. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

**Old business:**

Motion was made by Jody Cowart to approve the benefit payments for October, November and December 2014. The motion was seconded by Gail English. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: Motion was made by Jody Cowart to approve payment to Hund, Krier, Wilkerson & Wright, P.C. for current services rendered on the Lee QDRO case. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: According to Jody Cowart, the Texans for Secure Retirement was created by TEXPERS and approved by the Pension Review Board as another means of fulfilling the education requirements for board members and administrators. The same education benefits can be obtained through the Pension Review Board for free. A Motion was made by Jody Cowart to dismiss the membership application for Texans for Secure Retirement (TSR). The motion was seconded by Gail English. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: Jason Maddox was not present to report on the TEXPERS conference held August 9-12, 2014. The motion was made by Gail English to table this item until the next meeting. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

**New business:**

Discussion/action item: A review of the current status of the Wells Fargo account finds the balance to be below the required minimum balance. In

addition to the regular monthly benefits paid out the first of each month, contribution refunds and other expenses have also been paid out. A motion was made by Joe Love to request \$25,136.76, the minimum funds needed, to be transferred from the MSSB Omnibus account to the Wells Fargo account to bring the balance back within the required balance range. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

A motion was made by Gail English to move the quarterly investment review to the end of the agenda. Mr. Ng was running late due to traffic congestion coming from Houston. Motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/ action item: Review of RFP's received for actuarial services for a two year period beginning December 31, 2014. The Fund received two proposals for actuarial services. One bid from Rudd & Wisdom and the other from John Crider. Gail English noted that it is difficult to compare bids based on rates alone. Jody Cowart stated the board has been satisfied with Mr. Crider's work over the last two actuarial periods. Joe Love made a motion to accept the bid for actuarial services from John Crider for another two year period beginning December 31, 2014. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: Kim Wilkerson forwarded the signed consents from both parties of the Lee domestic relations order and recommends the board approve this order as a "Qualified Domestic Relations Order". This action will make it final. A motion was made by Gail English that the board approve the Lee order as a Qualified Domestic Relations Order and will send a notification letter to the parties involved. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/ action item: TLFFRA conference summation from Jody Cowart: Areas of discussion included trustee training, new financial disclosure reports, and same sex marriage language.

All new trustees and administrators are required to complete a minimum of seven hours of training within the first year of service in all seven content areas. After the first year of service, a minimum of four hours of training is required every two years in either core or non-core topics. These requirements begin on January 1, 2015. Jason Maddox is in compliance with the core class requirements after attending the TEXPERS conference in August. There will be online classes provided by approved sponsors available for those who are not able to or do not attend the conferences.

There was discussion about the new GASB disclosures #67 and #68. There will be a period of adjustment as these financial reports are brought into use. Jody also noted that the TLFFRA formats will eventually be adjusted to

blend with TMRS.

Another topic of Discussion was about same sex marriage and how the language defines "spouse" in the Plan. It was recommended that the Fund review the language in the Plan and make changes where and if necessary. Overall, Jody said this was a good conference. No action is required at this time.

Discussion/action item: Third quarter review of investment portfolio: Tim Ng presented the quarterly review of the investment portfolio and cash flow policy for the quarter ending 9/30/2014. According to Tim Ng, the third quarter found the Fund down slightly since the last quarter with all the turmoil in the emerging markets. Columbia managers get a gold star for the quarter for consistently beating their benchmarks. Penn Capital, however, has consistently fallen behind their benchmark. Tim Ng says Penn Capital is being monitored to determine the problem. Penn Capital recommendations should be ready by the next quarterly review. Tim has completed and received verbal approval for the quarterly reviews performed on MFS and Federated. He stated both are doing well and neither have any issues.

For cash flow rebalancing, Tim Ng recommends transferring funds from MFS and Glovista to Congress, Columbia and the Omnibus accounts. This recommendation includes a small adjustment to include the one time transfer to the Wells Fargo account from the Omnibus account. This will rebalance all the managers to within their target ranges according to the investment policy. A motion was made by Gail English to accept the rebalancing as adjusted to include the one time funds transfer. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

Announcements: There were no new announcements.

Motion was made by Sherry Jackson to adjourn the meeting at 10:48 am. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

Jody Cowart, Chairman