

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

January 20, 2015

The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for its annual board meeting on January 20, 2015 at the City of Neighborhood Building Facility, Orange, Texas with the following members present:

Jody Cowart,	Chairman
Travis Seals,	Vice-Chairman
Joe Love,	Citizen Member
Sherry Jackson,	Trustee
John Bilbo,	Member
Tim Sharpe,	Morgan Stanley Wealth Management

A motion was made by Jody Cowart to call the meeting to order at 2:08 p.m. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

Standing items:

Motion was made by Sherry Jackson to approve the minutes of the meeting held on November 20, 2014. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

New business:

Discussion/action item: Nominations to fill the firefighter board member position held by Jason Maddox were taken between December 8, 2014 and December 10, 2014. Three members were nominated which included Jason Maddox, Jerry Picard and John Bilbo. With 59% of the active members participating in the election held December 11 - 13, 2014, John Bilbo received the majority of the votes. A motion was made by Jody Cowart to accept the election results. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously. John Bilbo signed the oath of office as required by VCS 6234, Section 18(b).

Discussion/ action item: The Orange Fire Fighters Pension system operates in accordance with Vernon Civil Statutes 6234, section 19 for the election of the pension board members. Jody Cowart noted that the statutes state the members of a board of trustees shall elect a citizen member to the board at a meeting in March. A motion was made by Jody Cowart to table the reappointment of Joe Love as Citizen Member until the March meeting. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: In the past the Chairman has always been the firefighter member with the most seniority on the board with the Vice-Chairman being the firefighter member with the next in line with seniority. The Secretary/Treasurer position is filled by the city Finance officer. The board members present all agreed with this system. A motion was made by

Sherry Jackson to accept Jody Cowart as Chairman, Travis Seals as Vice Chairman and Gail English as Secretary/Treasurer. The motion was seconded by Travis Seals. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: An application for Optional Retirement and benefits for Daryl Kim LeJeune has been presented to the board for approval. Mr. LeJeune's effective retirement date was January 11, 2015. A motion was made by Jody Cowart to approve the benefit retirement application for Mr. LeJeune. The motion was seconded by Love. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: A motion was made to approve the first quarter benefit payment for January, February and March 2015. The benefit payments scheduled for February and March do include the DROP payment and monthly benefits for Mr. LeJeune. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item:

Review of the 4th quarter investment portfolio and the rebalancing and cash flow worksheet. Tim Sharpe presented the board with a bleak outlook on the 4th quarter performance. The Fund earned 2.76 for the year 2014. He stated the rally in the 4th quarter was very narrow. Congress came out on top. The Emerging markets did poorly as well as the international stocks. This was to be expected with all the turmoil overseas. The Bond managers did poor due to falling interest rates but still made just under 3% for the year. Tim Sharpe says they are actively searching for a replacement for Penn Capital due to continued underperformance. Delaware is the only manager that has outperformed their benchmark for the year.

Rebalancing and cash flow: Funds are needed in the Omnibus account to meet cash flow needs in addition to the minimum balance required. The cash flow needs include the DROP benefit approved in item #5 above. Congress and Columbia are both at the upper end of their IPS range so Tim Sharpe recommends moving funds from Congress and Columbia to the Omnibus account. This will bring all the accounts to within their IPS range. A motion was made by Jody Cowart to accept the rebalancing recommended by Tim Sharpe. The motion was seconded by Travis Seals. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: Review of proposed QDRO forms which provide for reimbursement of QDRO administrative fees by the Alternate payee and the participant to the Fund for review of an order. The reimbursement order is a part of the QDRO itself and does not affect the Plan language. A motion to accept the amended QDRO forms was made by Sherry Jackson. The motion was seconded by Joe Love. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: A motion was made by Joe Love to approve payment to Kim Wilkerson for work on the amended QDRO forms. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: The 2015 board meeting schedule was presented to the board with meetings falling on the third Thursday of each month. The September date may conflict with the TLFFRA conference so may have to be amended when the conference schedule is posted. No other conflicts are expressed at this time. A motion was made by Jody Cowart to approve the meeting schedule for 2015. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

Discussion/action item: The TEXPERS 26th Annual conference will be held March 29 - April 1, 2015 in Austin, TX. There will also be a Basic Trustee training class on March 28, 2015. The board members will check their schedules and Carol will check to see if board members can register for the Basic Trustee training class only. A motion was made by Jody Cowart to table this item until the February meeting. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.

Announcements: Everyone was invited to attend the retirement party for Kim LeJeune at 3:00 pm.

Motion was made by Jody Cowart to adjourn the meeting at 2:45 pm. The motion was seconded by Travis Seals. All present are in favor. No one opposed. Motion passed unanimously.

Jody Cowart, Chairman