

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

May 19, 2016

The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for its monthly board meeting on May 19, 2016, at the City of Neighborhood Building Facility, Orange, Texas with the following members present:

Jody Cowart,	Chairman
John Bilbo,	Vice-Chairman
Gail English,	Secretary/Treasurer
Sherry Jackson,	Trustee
Jason Maddox,	Trustee

The meeting was called to order at 9:05 am.

Standing items:

A motion was made by Sherry Jackson to approve the minutes of the meetings held on April 21, 2016. The motion was seconded by Jason Maddox. All present are in favor. No one opposed. Motion passed unanimously.

New Business:

Discussion & action item: Review and discuss investment portfolio structure and management concerns outlined by the trustees:

Impact study of using a single all-cap core manager: There are over 100 all cap core managers to choose from but Tim Sharpe noted that they did not find an all cap core manager with market timing or tactical allocation of any type that he would recommend to replace the current domestic equity managers. Tim Ng stated the all-cap core manager adds the single manager risk to the equity portfolio. This item will be revisited at the next board meeting.

The search for opportunistic municipal bond managers: Redirecting a small portion of the bond portfolio to municipal bond mutual funds would increase the returns for the Fund. This plan also fits the Investment Policy guidelines currently in effect (pg 13 5.3viii). The board has asked Tim Sharpe to move forward on this item.

Provide annual returns, three year rolling averages and manager updates: **MFS** is on the radar to be replaced. Tim Sharpe is recommending WCM as the replacement manager. Research on WCM will be provided via email prior to the next board meeting. **Columbia** is doing great and the recommendation is to keep this manager. **Congress** is a good solid conservative manager but has underperformed the past ten years. Tim noted the Fund could improve by replacing Congress with a more aggressive manager. The board agreed to have Tim Sharpe perform a manager search for a replacement. **Great Lakes** was hired in June 2015 and are still outperforming its benchmark. **Glovista** is an emerging markets manager with volatile earnings. Tim Sharpe recommends staying the course with this manager. **Delaware** is a conservative international equity manager and is doing well. The recommendation is to keep this

manager also. **Federated** is limited to the market bearing. Tim Sharpe recommends adding bond mutual funds to diversify fixed income. The recommendation is to direct 5% of the bond portfolio to bond mutual funds. Tim Sharpe has been requested to provide more information on this item.

In summary Tim Sharpe will research replacement for Congress and MFS and research municipal bond mutual funds to add to fixed income. This information will be provided at the next board meeting.

Discussion & action item: Motion was made by Jody Cowart to approve the Investment Returns and Assumptions Report (PRB-1000) for the year ending 12/31/2015. 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 Jody Cowart to approve the application for refund of contributions by Lucas Hoffpauir. The motion was seconded by Jason Maddox. All present are in favor. No one opposed. Motion passed unanimously.

Discussion item: Jody Cowart, John Bilbo and Sherry Jackson attended the Basic Trustee training course in Houston on May 18th to complete the trustee training mandated by the Pension Review Board.

Announcements:

Two more fire fighters will be leaving the City of Orange Fire department to work elsewhere.

A motion was made by Gail English to adjourn the meeting at 10:50 a.m. The motion was seconded by Sherry Jackson. All present are in favor. No one opposed. Motion passed unanimously.