

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

February 15, 2018

The Board of Trustees and Officers of the City of Orange Firemen's Relief and Retirement Fund convened for its monthly board meeting on February 15, 2018, at the City Hall Conference room, Orange, Texas with the following members present:

Jody Cowart,	Chairman
John Bilbo,	Vice-Chairman
Cheryl Zeto,	Secretary/Treasurer
Sherry Jackson,	Trustee

Guests / Members present: Tim Sharpe, Morgan Stanley
Jim Stoker, Morgan Stanley
Jacob Bilbo

The meeting was called to order at 10:00 am.

A motion was made by Jody Cowart to approve the minutes of the meeting held on January 16, 2018. 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 the application for service retirement benefits by Victor A Davila. The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

A Motion was made by Jody Cowart to accept the revised Funding Soundness Restoration Plan letter drafted by Foster & Foster. The motion was seconded by Sherry Jackson. All present are in favor. No One opposed. Motion passed unanimously. A signed copy of the FSRP letter will be emailed to the Pension Review Board.

Discussion /possible action items:

Review of the January 2018 investment statements. The statements show an increase in the fund balance at the end of January. However, the statements have not been reconciled as of this date. No problems are expected.

Fourth quarter review for period ending 12/31/2017:

Per Tim Sharpe and Jim Stoker, the 4th quarter did great with a yield net of expenses of 4.18%. For 2017, the Fund realized a yield of 17.72% net of expenses. The accounts recommended the past quarter are in place for active/passive investments. The Fund is still positive as of February 14, 2018 in spite of the volatility in the market.

The Fund currently holds minimal stock in TEVA pharmaceuticals, which has been downgraded below the "A" rating. It is the manager's recommendation to hold the funds since it is a minimal amount. All board members present are agreeable with the manager's recommendation. Action is

not required by the board.

Glovista has been removed from the Morgan Stanley's recommended list of approved managers. A new manager search is in progress. Tim Sharpe noted they would be prepared with several recommendations for the Board's consideration by their next meeting. Meanwhile, Glovista will continue to oversee the assets until a new manager has been approved by the Board and implemented by Morgan Stanley.

A motion was made by Cheryl Zeto to accept the "revised balancing statement". The motion was seconded by Jody Cowart. All present are in favor. No one opposed. Motion passed unanimously.

Federated was below their IPS target range and required additional funding. It is recommended to pull funds from Polen, Great Lakes and Glovista to rebalance Federated and the Omnibus accounts. Sherry noticed a calculation error in worksheet that will be corrected. A motion was made by Sherry Jackson to accept the rebalancing recommendations as corrected. The motion was seconded by Cheryl Zeto. All present are in favor. *No one opposed. Motion passed unanimously.*

Announcements:

A motion was made by Sherry Jackson to adjourn the meeting. The motion was seconded by Cheryl Zeto. All present are in favor. No one opposed. Motion passed unanimously.

Motion to approve made by _____ on March 15, 2018.

Motion was seconded by _____. Motion carried, no one opposed.

Chairman