

Winter Park Fire Fighters' Pension Trust Fund
Quarterly Meeting
6 February 2014
4:00 P.M.

Member: Engineer Garry Mitchell, Chairman
 Engineer Stuart Merrick, Secretary
 Mike Clifford, Trustee
 Tony Gray, Trustee
 Tony Grey, Trustee

Attendees: Scott Christiansen, Attorney
 Burgess Chambers, BCA
 Larry Cole, BCA
 Mitchel Brennan, BCA
 Jeff Templeton, Administrator
 Jim White, Fire Chief
 Michael Templeton, Lieutenant
 Dan Hagedorn, Lieutenant

Chairman Garry Mitchell called the meeting to order at 4:05 P.M.

A motion was made by Tony Gray and seconded by Stuart Merrick to accept the minutes of the meeting dated 7 November 2013 and Quarterly Financial Report Oct -Nov-Dec 2013. All were in favor.

Larry Cole introduced Mitchel Brennan a new BCA Analyst.

Public Question – Dan Hagedorn asking the attorney about Ordinance No.2942-13 in dealing with Local 1598 contract with the City of Winter Park (300 hours Overtime). Wanting to know if the contract and ordinance are causing the 300 hour rule to be retroactive to 2011. Local 1598 Pension Article was presented to the board.

Scott Christiansen answering how Ordinance was developed based on State Law and Local 1598 Contract for the city. Discussed 300 hour rule according to state law. Law went into effect in 2011 and it was to be implemented as new contracts are entered.

Burgess Chambers and Larry Cole gave Investment Summary Report:

For the quarter, the Plan earned \$2.3 million or +5.5% (+5.4% net), ahead of the strategic model (+4.7%), and ranked in the top 36th percentile. The three best performing asset categories were: BNY Mellon large-cap passive (+10.5%), Westwood large-cap (+9.3%), and BNY Mellon small-cap passive (+8.7%).

For the 12-month period, the Plan earned \$6.3 million or +17.2% (+16.9% net), ahead of the strategic model (+16.8%), and ranked in the top 36th percentile. The three best performing asset categories were: BNY Mellon small-cap passive (+38.8%), BNY Mellon mid-cap passive (+33.5%), and BNY Mellon large-cap passive (+32.4%). The convertible bonds earned an impressive +21.3%. As expected, this core portfolio lost -2.2%.

For the two-year period, annualized results were similar to the benchmark and ranked in the top 47th percentile.

For the three-year period, the Plan earned \$9.6 million, averaging +9.1% (+8.8% net), per year. For the five-year period, the investment program averaged +11.4% (+11.2%, net) per year.

Westwood's large-cap product trailed the benchmark for the three and five-year periods. The product's lower beta and longer term alpha profile make it suitable for a defined benefit plan seeking managed risk. Products of this type are not expected to keep pace with strong bull market periods of the capital markets cycle. Otherwise, it would be a high risk option. This product is expected to offset a portion of the volatility of this asset category and add value to the index over the long term. The large-cap core allocation has an \$11.5 million allocation, of which \$7.4 million is invested in a passive S&P 500 product and \$4.1 million is with Westwood, or 1/3 of the mandate. The total large-cap mandate continues to perform well, with its 2/3 weighting to the S&P 500 index.

EuroPacific's international product was ahead of the benchmark (+14.4% vs. +13.0%) for the five-year period and ranked in the top 47th percentile. This product missed the benchmark for the three-year period, due to the 12-months results, but was significantly ahead for the quarter (+7.8% vs. +5.7%).

General Discussions between Members and Burgess about future city contributions. Burgess advised to hold those for the Actuarial.

General Discussion between Members and Burgess on Managers Review, interest rates, bonds and assumption rates. Also discussed changing the allocation for MLP's to 10%.

Burgess Chambers recommended adding a discussion for allocating additional money to MLP's to the agenda for the next meeting.

Scott Christiansen, attorney, gave his report.

Trustee Terms are up for Garry Mitchell, Tony Gray and Mike Clifford.

A motion was made by Garry Mitchell and seconded by Tony Gray to reappoint Mike Clifford as the 5th member upon Mitchell and Gray reappointment.

Verified Letter of rate of return sent to State.


Ordinance was sent to State and waiting to see if Sara Wolf needs an impact study.

Legislation update, similar bills in the House and Senate to watch. Session starts March 4th and ends in May.

No new business.

A motion was made by Garry Mitchell and seconded by Mike Clifford to adjourn. All in favor.
4:56

Respectfully submitted,

 5-8-14

Engineer Stuart Merrick, Secretary