

Winter Park Fire Fighters' Pension Trust Fund
Quarterly Meeting
5 November 2015
4:00 P.M.

Member: Engineer Garry Mitchell, Chairman
 Engineer Stuart Merrick, Vice Chairman/Secretary
 Mike Clifford, Trustee
 Mike Hlavek, Trustee

Attendees: Scott Christiansen, Attorney
 Burgess Chambers, BCA
 Michael Templeton, Battalion Chief
 Jim White, Fire Chief

Vice Chairman Stuart Merrick called the meeting to order at 4:03 P.M.

A motion was made by Mike Clifford and seconded by Stuart Merrick to accept the Quarterly Financial Report Aug-Sept-Oct 2015. All were in favor.

Approval of minutes from 13 August 2015 meeting will postponed till next meeting in February.

No public input.

Burgess Chambers gave his Investment Summary Report:

For the quarter, the Plan experienced an investment loss of \$3.3 million or -6.5% (-6.6% net). The top category was fixed income (+1.2%).

For the Fiscal year, the Plan had an investment loss of \$1.4 million or -2.6% (-3.0% net) – in line with the strategic model (-2.9%). The top three categories were passive mid-cap growth (+5.1%), passive large-cap growth (+3.1%), and fixed income (+3.0%). Westwood's large cap value product beat its benchmark (+0.2% vs. -4.4%). The biggest detractor from absolute performance was the MLP category – which was off -38.1%. This asset class experienced four consecutive quarterly declines, pressured by the 50% drop in world oil prices. The forces at play are rooted within OPEC, Russia, domestic production and the rising US dollar. The 1.5 million barrel per day over-supply imbalance is expected to diminish in 2016, as US production declines further and world demand grows another 1.4 million barrels per day. BCA believes the MLP pipeline companies will rebound as investors see the merits of growing domestic natural gas consumption and further conversion of oil transport from rail to pipe. The portfolio yield on a market basis rose to 7.8% by mid-October.

For the three-year period, the Plan earned \$7.6 million, averaging +6.7% (+6.3% net), per year.

For the four-year period, the Plan earned \$12.8 million, averaging +9.1% (+8.7% net), per year – ahead of the actuarial assumed rate of return (+7.75%).

For the five-year period, the Plan earned \$12.5 million, averaging +7.0% (+6.7% net), per year.
Manager Reviews

Westwood's large-cap product beat its benchmark for the three and five-year periods, and ranked in the top 44th and 46th percentiles, respectively. The product has made a strong recovery during the past 24 months.

Advent trailed the benchmark for the three-year period, but ranked in the top 47th percentile. As mentioned previously, the management approach has been to harvest gains, as valuations move above designated premiums above par.

SSI slightly trailed the benchmark for the three-year period, and ranked in the top 5th percentile.

American Funds Euro Pacific International beat its benchmark for the three and five year periods and ranked in the top 24th and 35th percentile, respectively.

Burgess Chambers also discuss MLP History, S&P Energy Complex, IEA Projection of production and 10 year trend of S&P 500 oil companies.

Burgess Chambers discussed actual asset allocations for TIPS which is currently 3.6%, recommending to reduce it to 3% and moving the proceeds to the bond account.

Discussion about state money and its availability for investment. Will revisit next meeting due to possible large dollar payouts after the first of the year.

A motion was made by Garry Mitchell and seconded by Stuart Merrick to direct BCA to draft a letter the pension administrator to allow BCA to decrease the TIPS investment from 3.6% to 3% and move proceeds to the operating account. All were in favor.

Scott Christiansen, attorney, gave his report.

Reminder we have to do a Fiscal end year report to the commission, pension letter #2. Requires us to report to the City Commission by way of a letter and attach a report showing all the assets we own as of the end of the fiscal year and basically giving a report on how well we did during the fiscal year.

Summary plan description has been corrected by the City, it will be finalized and available for the next meeting.

Share/Internal Revenue changes, sent to City Manager for review and hopefully it has been made available for the union to review and give input. City pension attorney may take a position that this does not need to be done until 2017 when the union contract is up. Scott Christiansen stated it can be done in 2017 but is suggesting to do it now as part of the ordinance package since it does not require any funding. There is a methodology in the ordinance for the share plan, but if the union wants to change anything, it needs to be done as soon as possible.

Last meeting we approved a budget for the current fiscal year. Now we have to do an expense report for the previous fiscal year, should be prepared for the next meeting so it can be approved and sent to the State.

A motion was made by Garry Mitchell and seconded by Mike Hlavek to approve the next year's meeting dates and time. All were in favor.

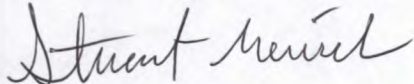
- February 4, 2016 at 4:00
- May 5, 2016 at 4:00
- August 4, 2016 at 4:00
- November 3, 2016 at 4:00

Pension Administrator will email dates to all members.

No new business.

A motion was made by Stuart Merrick and seconded by Mike Clifford to adjourn. All were in favor. 5:06

Respectfully submitted,

A handwritten signature in cursive script that reads "Stuart Merrick".

Engineer Stuart Merrick, Secretary