

Winter Park Fire Fighters' Pension Trust Fund
Quarterly Meeting
2 February 2017
4:00 P.M.

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

Attendees: Scott Christiansen, Attorney
 Larry Cole, BCA
 Mitchell Brennan, BCA
 Jeff Templeton, Administrator
 Michael Templeton, Battalion Chief
 Pat McCabe, Deputy Chief
 Wes Hamill, City of Winter Park Finance Director
 Peter Moore, City of Winter Park Budget Manager
 Jennifer Jones, City of Winter Park Purchasing Manager

Chairman Garry Mitchell called the meeting to order at 4:06 P.M.

A motion was made by Stuart Merrick and seconded by Mike Clifford to accept the minutes of the meeting dated 3 November 2016 and Quarterly Financial Report October-November-December 2016.

All were in favor.

No Public Input

Larry Cole, BCA gave Investment Summary Report:

For the quarter, the Plan earned \$425K or +0.9% (+0.8% net) - similar to the strategic model (+0.9%), ranking in the top 40th percentile. The top four performing categories were: passive small-cap core (+8.9%), passive mid-cap core (+7.4%), passive mid-cap growth (+4.7%) and Westwood large-cap value (+4.7%). This was another quarter in which most active managers failed to achieve their respective benchmarks.

For the one-year period, the Plan earned \$3.6 million +8.2% (+7.8% net), in line with the strategic model (+8.1%). The top three performing categories were: passive small-cap core (+21.4%), passive mid-cap core (+20.8%), and the Westwood MLP (+16.7%).

For the five-year period, the Plan earned \$15.6 million, averaging +8.1% (+7.7% net) per year. Most importantly, these results were very close to the actuarial assumed rate of return.

October 2016, the Fund was rebalanced, resulting in BNY fixed income receiving \$1.48 million, with \$350K funded from large-cap, \$180K from mid-cap, \$400K from small-cap and \$550K from cash.

Manager Reviews

Westwood's large-cap product was behind its benchmark for the three-year period (+8.2% vs. +8.6%), but ranked in the top 47th percentile. Results missed the benchmark by 570 bps for 12 months – which erased all of the cumulative out-performance for the five- year period.

Advent's convertible bond product trailed the benchmark for the three and five-year periods, ranking in the 65th and 53rd percentile, respectively. The product moved ahead of SSI on a 12-month basis.

SSI convertibles product was ahead of the benchmark for the three-year period and ranked in the top 44th percentile.

American Funds EuroPacific beat its benchmark for the three and five-year periods and ranked in the top 24th and 22nd percentiles, respectively. This product experienced a disappointing 4Q – missing its bogey by 340 bps. However, it's three and five-year relative performance and peer rankings are excellent.

Westwood's MLP product beat its benchmark for the quarter and three-year period.

Advised no violations related to Investment Policy as 12/31/2016.

No rebalancing recommendations at this time.

Scott Christiansen, Attorney, gave report:

Stuart Merrick's term is up April 2017, need to start the election process.

Mike Hlavek's term is up May 2017, need to start the appointment process.

Annual Officer Selection for the Board needs to be on the agenda for the next meeting.

Report of Investment Activity (Pension Letter #2), a letter listing all of our assets as of 30 September 2016, needs to be sent to the City. City representative (Wes Hamill) confirmed receipt.

Legislation Update:

- Companion bills, Senate Bill 158 and House Bill 143, this is a retry from last year, attempting to add 4 different cancers to the presumptive diseases for disability.
- Senate Bill 306, change to chapter 112 of the Florida Statue dealing with voting rules. Change from special private gain to any gain and making exceptions for a broad application.
- Session starts in March

City and Firefighter's union finalized a contract in December. Question, what is the status of Internal Revenue Ordinance and Share Plan Ordinance drafted a few meetings ago? City representative (Wes Hamill) advised there is a draft for a proposed ordinance dealing with the Internal Revenue Changes and the Share Plan that was created by another firm. City Rep advised he will forward a copy to Scott Christiansen for his review.

Jeff Templeton, Administrator:

Detailed Financial Report has been forwarded to the City Financial Director and to the State.

A motion was made by Garry Mitchell and seconded by Mike Clifford to approve the annual fiscal report ending 30 September 2016.

All were in favor.

No old business

New business:

Peter Moore, City Budget Manager:

Referencing a letter from Randy Knight, City Manager to the Board. City commission has adopted a practice of bidding out contracts every 5 years. City is offering their services in assisting the Pension Board with this process, if the Board would like the assistance.

Jennifer Jones, City Purchasing Manager:

Reviewed the City's 45 day process for putting contracts out to bid. The City has resources available for solicitation and on building a scope.

Scott Christiansen informed the City that the Attorney uses an RFP process every 5 years

Pat McCabe, Deputy Fire Chief:

Asking the board to look at the Pension Disability Policy as it relates to Chapter 175/185 plans. Firefighter's currently have a 42% minimum and would like to see it increased or developed

around a case by case scenario. Attorney advised he would look at other plans in the area and compare policies, and have information for the next meeting.
Next meeting 4 May 2017 at 4:00 P.M.

A motion was made by Stuart Merrick and seconded by Mike Clifford to adjourn at 4:52 P.M.
All were in favor

Respectfully submitted,

A handwritten signature in cursive script that reads "Stuart Merrick". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Engineer Stuart Merrick, Secretary