

WINTER PARK POLICE OFFICERS' RETIREMENT SYSTEM
Quarterly Meeting
8 May 2014
6:00 P.M.

Member: Sgt. Rafeal Berrios, Chairman
Sgt. Kevin Roesner, Secretary
Mike Broschart, Trustee

Attendees: Jeffrey Templeton - Administrator
Larry Cole, BCA
Larry Wilson - GRS
Scott Christiansen - Attorney
Bryan Templeton
William Deuchler

Chairman Rafael Berrios called the meeting to order at 6:06 P.M.

A motion was made by Mike Broschart and seconded by Kevin Roesner to accept the minutes of the meeting dated 6 February 2014 and Quarterly Financial Report Jan-Feb-Mar 2014. All were in favor.

No public input.

Larry Cole gave his Investment Summary Report:

- For the quarter, the Plan earned \$744K or +1.94% (+1.88% net), in-line with the strategic model (+1.94%). Both domestic large and mid-cap stocks, convertibles, MLPS, core fixed-income, and TIPS experienced modest gains. International equities trailed domestic stocks. The four best performing asset categories were Westwood MLP (+4.4%), BNYM mid-cap passive (+3.0%), Advent Convertibles (+3.0%) and Westwood large-cap value (+2.6%). The TIPS earned +2.1%, ahead of core-bonds (+1.9%).
- Fiscal year-to-date, the Plan earned \$3.0 million or +7.9% (+7.8% net), ahead of the strategic model (+7.2%). The out-performance came from Westwood MLPS and EuroPacific international. The three best performing asset categories were BNYM large-cap passive (+12.5%), Westwood large-cap (+12.2%), and BNYM mid-cap passive (+11.6%).
- For the three-year period, the Plan earned \$9.1 million, averaging +8.7% (+8.4% net), per year. For the five-year period, the Plan earned \$19.6 million, averaging +13.5% (+13.2% net), per year. While the three and five-year rankings were below the 40th percentile, strong improvement has been experienced during the two years.

- At the 2/6/14 meeting, the Board approved BCA's recommendation to increase the MLP allocation to the target of 5% (or \$1M) which was completed on 3/5/14, with sources of funding derived from (Westwood LCV: \$224K; BNYM LC: \$438K; BNYM MC: \$139K; and BNYM SC: \$248K).

Larry Wilson gave the Actuarial Valuation Report.

The October 1, 2013 Actuarial Valuation determines the minimum required contribution for fiscal year ending September 30, 2015.

The minimum required contribution for the fiscal year ending September 30, 2015 is \$2,589,887. 66.4% of covered annual payroll (non-DROP) for fiscal year ending September 30, 2015 based upon projected covered annual payroll (non-DROP) for fiscal year ending September 30, 2015 - \$3,898,445.

Member contributions will be 6.0% of covered payroll (non-DROP) for fiscal year ending September 30, 2015 - anticipated to be \$233,907 and anticipated allowable State contributions will be 6.9% of covered payroll (non-DROP) for fiscal year ending September 30, 2015 (\$268,589) leaving a City requirement of \$2,087,391 - 53.4% of covered payroll (non-DROP) for fiscal year ending September 30, 2015. If State contributions are less than \$268,589, the City will be required to make up the difference.

The net smoothed actuarial value of assets as of October 1, 2013 is \$38,990,049. The net market value of assets as of October 1, 2013 is \$40,745,179.

There are 63 active members and 74 inactive members (including DROPS) as of October 1, 2013. Smoothed actuarial value net investment return was 9.21% - more than the assumed rate of 8.25%. Market value rate of return was 12.51%.

Plan expenses were 50 basis points of the mean invested market value of assets during fiscal year ended September 30, 2013.

The System experienced an actuarial gain of \$366,868 during fiscal year ended September 30, 2013. Investment return (smoothed actuarial value) and salary increases were sources of actuarial gain - employee turnover was generally an offsetting source of actuarial loss.

The actuarial assumptions for investment return, retirement rates, withdrawal rates and salary increases have been updated based upon an Experience Investigation covering the period October 1, 2007 through September 30, 2012.

The City contributed in excess of the minimum required City contribution for fiscal year ended September 30, 2013. As requested, this excess City contribution is held in reserve as a funding credit available to be used by the City to reduce future City contributions.

Government Accounting Standards Board (GASB) Statement No. 67 actuarial information is included. GASB 67 actuarial information must be *trued-up* as of September 30, 2014.

Scott Christiansen gave his report:

Scott gave an update to all legislative charges to plans 175/185. There were none at this time.

New Business

Funds needed to be raised for retiring drop employees.

\$935,000.00 from N.Y. Mellon large Cap Index

\$207,000 from convertibles.

Total 1.142 million to make payment.

Rafael Berrios made the motion to approve the transfer of funds and Mike Broschart seconded the motion . All were in favor.

It was announced that the Pension Fund would reimburse Trustees for classes or conferences furthering their education in regards to pension related duties.

Kevin Roesner made the motion and Rafael Berrios seconded the motion to reimburse and approve travel to conferences and to have Attorney Scott Christiansen add an addendum to the operating Rules and Procedures. All were in favor.

A motion was made by Kevin Roesner and seconded by Rafael Berrios to adjourn. All were in favor. The meeting ended at 7:14 pm.

Respectfully submitted.

A handwritten signature in black ink, appearing to be 'K. Roesner', with a long horizontal line extending to the right.

Sgt. Kevin Roesner, Secretary