WINTER PARK FIRE FIGHTERS' PENSION TRUST FUND
Quarterly Meeting
13 May 2010
6:00 P.M.

MEMBERS: Chief Pat McCabe, Chairman
ENG. Garry Mitchell, Secretary
Tony Gray, Trustee
Tony Grey, Trustee
Mike Clifford, Trustee

ATTENDEE: Larry Wilson, GRS
Jeff Templeton, Administrator
Burgess Chamber, BCA
Robert Dombrower, ICC
Scott Christiansen, Attorney

Visitors: Chief White, WPFD
Wes Hamil, City - Finance Director

Chairman Pat McCabe called the meeting to order at 6:06 P.M.

A motion was made by Garry Mitchell and seconded by Tony Grey to accept the minutes of the meeting dated 11 February 2010 and the Quarterly Financial Report for January - February - March 2010. All were in favor.

The election for trustee representative for the WPFD was Eng. Garry Mitchell.

A motion was made by Pat McCabe and seconded by Mike Clifford to elect Eng. Garry Mitchell Vice-Chairman/Secretary of the Winter Park Fire Fighter's Pension Trust Fund. All were in favor.

A motion was made by Garry Mitchell and seconded by Mike Clifford to elect Pat McCabe Chairman of the Winter Park Fire Fighters' Pension Trust Fund. All were in favor.

Tony Grey was re-appointed as a trustee.

Burgess Chambers gave his report:

For the quarter ending 3/31/2010, the total Plan earned $1.1 million (+4.1% net), which was in line with the strategic model index. The best three performing categories of the Plan were: mid-cap passive (+8.9%), small cap passive (+9.1%), and ICC (+6.3%).

Fiscal year-to-date, the total Plan has earned $1.9 million (+7.0% net), versus +7.9% for the strategic model index; difference due to the previous investment policy having a higher allocation for small cap stocks. The best three performing categories of the Plan were: mid-cap passive (+15.2%), small-cap passive (+13.1%), and ICC large-cap value (+12.6%).

American Euro Pacific, ICC and Westwood were ahead of their respective benchmarks. For
the twelve-month period the total Plan earned $6.4 million (+29.4% net). For the three-year period, the program ranked in the top 28th percentile. The Euro-Pacific growth fund class R-5 was converted to R-6 on 19 February 20010 to capture a lower expense ratio. The asset allocations were similar to the strategic model index benchmark, with the exception of bonds (31.9% vs. 35.0%), cash (2.4% vs 0.0%), and mid-cap (11.2% vs. 10.0%).

Robert Dombrower, ICC, gave his report. The fund was up (5.86%) for the quarter, up (12.31%) for the Fiscal year-to-date and down (-1.13%) for the three-year period.

Larry Wilson, GRS, gave his report:

The required minimum contribution for the fiscal year beginning 1 October 2010 is $1,901,717 or 39.3% of covered annual payroll as of 1 October 2009. He anticipates member contributions will be $290,251 and State contributions will be $282,690 leaving a City requirement of $1,279,217 or 26.4% of covered annual payroll.

The net actuarial value of assets as of 1 October 2009 is $30,139,278. The net market value of assets as of 1 October 2009 is $26,597,846.

There are 66 active members and 42 inactive members as of 1 October 2009. The actuarial value investment return was 2.17% - less than the assumption rate of 7.75%. System expenses were 51 basis points of the mean invested market value of assets.

The System experienced an actuarial loss of $1,166,564 during the fiscal year ending 30 September 2009. Investment return and employee turnover were generally sources of actuarial loss while salary increases were generally an offsetting source of actuarial gain.

Jeff Templeton, Administrator, asked Larry Wilson, from an actuarial point of view would it be a financial saving to combine the Police and Fire Department Plans? Larry stated that the State of Florida would still require separate accounting for both plans.

A motion was made by Tony Gray and seconded by Garry Mitchell to accept the Actuarial Report. All were in favor.

Larry Wilson advised the board that he had received an RFP request by the City of Winter Park for a report containing data only and would contain no recommendation listing of options to save finances within the Plans. The Board had no problem with him replying to the request by the City to apply to do an RFP.

Chief James White, WPFD, spoke to the board about a meeting he had with City Manager Randy Knight and Finance Director Wes Hamil. He explained to them that it was not the Fire Departments fault that the City is having financial difficulties.

Scott Christiansen, attorney, gave his report:

1. He advised the Board after the board approved the actuarial report that the state requires that the Board make an assumption rate for the year, next several years and the long term.

A motion was made by Tony Gray and seconded by Tony Grey that based upon the advice of the consultant and investment professionals the expected annual rate of return for the fund for the next year, the next several years, and the long-term thereafter would be
7.75% net of investment related expenses in accordance with Section 112.661(9), Florida State Statute. All were in favor.

2. Scott reminded the board about completing their Form 1 for the state and sending in or to give it to Jeff when completed.

3. Scott reported that he had given Jeff Templeton, Administrator, the answer to the questions concerning Medicare and the new Medical Pre-Tax Issue that is now available to retirees having their own private insurance companies for healthcare. Jeff would be available to answer those question from retirees or other interested parties.

5. Scott recommended that the contract for Gabriel, Roeder and Smith be revised. It has not been changed since 2003.

   A motion was made by Pat McCabe and seconded by Tony Grey to revise and finalize a new contract for Gabriel, Roeder and Smith. All were in favor.

6. Scott gave updates on the items that were submitted to the State Legislature that affected 175/185. There were over 12 bill submitted. Most of the bills had to do with costs and benefit changes. He reported that nothing got changed or adopted. He did explain that Florida State Retirement had some changes made dealing with their DROP. He explained that the FSR is totally different than 175/185 statues.

7. Scott sent a letter to the board stating that his firm's fees would be changing as of 1 July 2010.

   Jeff Templeton stated that he was asked by a board member to ask Scott Christiansen to step out while he informed and discussed with the board of the increases in the fees from Christiansen and Dehner Law Firm for 2009. Jeff explained to the board that he contacted 6 other attorneys' in the state that practice municipal pension law and provided their fee schedule. The fees that Scotts firm are changing to fall into line with the other attorneys contacted. Christiansen and Dehner reported that all of their clients are charged the same. That is not the practice of several of the other firms. Jeff provided the fees that Christiansen and Dehner charged the fund for the last year.

   There was discussion among the board members. Tony Gray and Tony Grey stated that they were not in favor of this increase. A motion was made by Tony Gray to do an RFP. There was no second. Motion was withdrawn. There was a motion made by Pat McCabe and seconded by Garry Mitchell to retain Christiansen and Dehner as the law firm representing the board pursuant to their letter to the board dated 5 March 2010 for an increase in fees. Three member voted to retain and 1 member voted not to retain. The motion passed.

   Pat McCabe discussed some information that the City of Winter Park were discussing. They want to look at some benefit changes to support their trying to lower costs in the City. Pat stated that the board would continue to support: (1) No benefit changes to employees 20 years and hirer or 55 years with 10 years vested. (2) DROP retirees stay the same. Pat passed out copies of the Palm Beach Pension Plan that was just completed last month for the board to review. He made it clear that it was for information only.
Jeff Templeton mentioned that the Annual Trustee School was in Tallahassee in March if anyone wanted to attend. He, also, stated that there would be a conference in Orlando in October 2010.

Jeff discussed with the board that the Fiduciary Insurance policy ends on 1 June 2010. The policy is for $1 million for $6,584.00 per year. Jeff explained that he had been talking with Wes Hamil (City Finance Director) and Randy Knight (City Manager) concerning a policy that they already have in place with the city that covers the board members. It would be a small savings to the Plan. Scott said that he could draw up a statement and give a copy to the board. He said that the board members are already covered under the cities policy. He referenced Sec 23 of the Pension Plan concerning indemnity in reference to insurance.

A motion was made by Tony Grey and seconded by Pat McCabe to discontinue the insurance policy with Kraft Insurance. All were in favor.

Chief James White gave each board member a commemorative coin celebrating the 110 years of service to the City of Winter Park.

The meeting was adjourned at 7:50 P.M.

Respectfully submitted,

Eng. Garry Mitchell