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

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

Chairman Pat McCabe called the meeting to order at 7:18 P.M.

A motion was made by Tony Grey and seconded by Garry Mitchell to accept the minutes of the meeting dated 13 May 2010 and the Quarterly Financial Report for April – May - June 2010. All were in favor.

Burgess Chambers gave his report:

The Plan experienced an investment loss of $1.7 million for the quarter (-5.7% net), similar to the benchmark and ranked in the top 29th percentile. Equity markets were down across all sectors and area. Europe in particular. Fiscal year to date, the Plan earned $150K (+0.9% net). Update: Due to strong equity performance in July, it is estimated the FYTD return moved closer to 6.0%. For the rolling 12 – month period, the Plan earned $2.7 million or +11.6% net. Although the Plan did not achieve the benchmark (+13.8%), it ranked in the top 37th percentile of the PSN Balanced Moderate Universe. The delay in rebalancing back to equities during 2Q09 and 3Q09 explains most of the difference. The best three performing categories were: mid-cap passive (+24.9%), small-cap passive (+21.7%), and ICC Capital large-cap value (+16.8%). It should be noted be noted that bonds and TIPS earned +9.5% and +9.7%, respectively. The annual expense ratio of the program was 0.3%. ICC Capital: This large-cap value manager has added excess returns above its benchmark for the three and five-year periods of +4.2% and +2.3% per year, respectively. Results rank in the top 20th and top 32nd percentiles, respectively. Both the return and risk profiles remain favorable. Westwood: This large-cap value manager, added in July 2008, represents $2.3 million (8.4%) of the Plan. Results have trailed the benchmark for the 12-month period ((+8.5% vs. +16.9%). BCA recently conducted a Texas site visit of Westwood and concluded the firm's under-performance is consistent with its avoidance of market sector and event risk. The firm experienced similar relative under-performance during 1998-2000. American Euro-pacific: This product has beaten its benchmark by a wide margin since being added to the program. For the 12-month period, the product added 3.6% percentage points in excess returns and ranked in the top 40th percentile.
Robert Dombrower, ICC, gave his report. The fund was down (-11.52%) for the quarter, down (-0.61%) for the Fiscal year-to-date and down (-7.21%) for the three-year period.

Jeff Templeton had Fiduciary International of the South do a balance of the account. It was reported as of 20 July 2010 to have $1,010,002.65. He consulted with Burgess Chambers about moving money to cover the pension payments as needed.

A motion was made by Tony Grey and seconded by Pat McCabe for Jeff Templeton to move any excess money that is not needed, after consulting with Burgess Chambers, to cover 2010 pension payment. All were in favor.

Scott Christiansen, attorney, gave his report:

Scott advised the Board that the state money would be coming to the City soon. Last year (2009) it was $338,998.00 and this year (2010) it will be $358,626.23.

Scott advised that the Declaration letter had been completed.

Scott gave some information to the Board about a survey with the IRS. It seems that the IRS is beginning to be interested in possibly providing assistance to government pension plans. He explained that the IRS did not really have any expertise in that area. Scott explained that his firm is going to complete their own analysis and give the results to their clients. Scott is convinced that IRS should not be involved with pension plans.

Scott said that at the next scheduled meeting he wanted to speak about reviewing the contract with Gabriel, Roeder and Smith.

Chairman Pat McCabe asked the Board to make a motion to pay Scott Christiansen for (1) hour payment for him to return on 14 August 2010 and a hold a joint question and answer time with the Winter Park Police Department.

A motion was made by Garry Mitchell and seconded by Tony Grey to pay Scott Christiansen for (1) hour. All were in favor.

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

Respectfully submitted,

Eng. Garry Mitchell
Chief Pat McCabe, Chairman of the Winter Park Fire Fighters’ Pension Trust Fund called the joint meeting of the Winter Park Fire Fighters’ Pension Trust Fund and the Winter Park Police Officers’ Retirement System to order at 5:05 P.M.

Chief McCabe invited Larry Wilson, Gabriel, Roeder, Smith & Company to discuss the 2009 Actuarial Valuation dated 23 April 2010. Chief McCabe told the guests that this Valuation determines the Annual Contributions for each Plan Year 1 October 2009 through 30 September 2010 with City contributions to be paid in the Fiscal Year 1 October 2010 to 30 September 2011.

As requested by both boards Larry Wilson reviewed the 2009 Actuarial Study that was prepared for the City of Winter Park by Foster & Foster, Inc.
For purposes of comparison to the Foster & Foster, Inc report, GRS prepared 15-year actuarial projections of the required contributions under the existing plan provisions of the Winter Park Police Officers' Retirement System and the Winter Park Fire Fighters' Pension Trust Fund, respectively.

GRS modeled the required City contributions under the current System plan provisions, actuarial cost method (Entry Age Normal) and actuarial assumptions.

In addition, GRS modeled the required City contributions assuming the amortization bases for each System were combined as of 1 October 2009. GRS, also included projections assuming the actuarial cost method is changed to either the Aggregate cost method or the Projected Unit Credit cost method.

GRS projections, also, included investment return sensitivity. The projections model assumed investment return of 6.75% (-1% of assumed rate of return), 7.75% (assumed rate of return) and 8.75% (+1% of assumed rate of return) for the Fire Fighters' Pension Trust Fund. The projections model assumed investment return of 7.25% (-1% of assumed rate of return), 8.25% (assumed rate of return) and 9.25% (+1% of assumed rate of return) for the Police Officers' Retirement System.

The Actuarial Study prepared for the City of Winter Park by Foster & Foster, Inc. included projections to illustrate the impact of potential future benefit provisions. Based upon our understanding of State rules, changes to the COLA and the interest-crediting rate for DROPs would be expected to reduce allowable State monies. The remaining proposed changes for current and future employees would eliminate State monies.

Chief McCabe asked if the state would accept the Foster & Foster Report. Larry Wilson said no. Chief McCabe then asked Scott Christiansen about any changes in 175/185 by the current legislature. He stated that every item that they previously were trying to get through was set aside until after the current elections are completed. Scott also stated that you couldn’t plan ahead for legislature that is not in law.

Commissioner Cooper asked about investment assumption returns. Burgess Chambers, BCA, stated that returns were high for the last decade. He said that when everything is on the slow side it isn’t the time to lower anything.

At the request of the City of Winter Park, a motion was made to restate the 1 October 2009 Actuarial Valuation for the Winter Park Fire Fighters' Pension Trust Fund and the Winter Park Police Officers' Retirement System incorporating a twenty (20) amortization loss for the fiscal year ending 30 September 2009. The restated 1 October 2009 Actuarial Valuation will determine the Annual Contribution for the
Plan Year ending 30 September 2011 as a percentage of covered payrolls for fiscal year 2011. This change will only be made if the plan is allowed to do this under State Statue 175/185 rules to change the actuarial costs method from the Entry Age Normal cost method in the 1 October 2010 Actuarial Valuation. This motion was made by (WPFD) Tony Grey and seconded by Garry Mitchell and (WPPD) Sandy Modell and seconded by Murray Daniel. All were in favor.

The meeting was adjourned at 6:52 P.M.

Respectfully submitted,

[Signature]

Eng. Garry Mitchell, Secretary WPFD
Det. Tom Cronin, Secretary, WPPD