MEMBERS: Eng. Garry Mitchell, Chairman
Trey Merrick, Secretary
Tony Grey, Trustee

ATTENDEES: Stuart Shaw – Eaton Vance Investment
Greg Johnson - Parametric
Scott Christiansen, Attorney
Jeff Templeton, Administrator
Larry Cole, BCA
Michelle del Valle, Assistant City Manager
Chief James White. WPFD
Kim Calhoun, Westwood
David Spika, Westwood

Chairman Garry Mitchell called the meeting to order at 4:02 P.M.

A motion was made by Garry Mitchell and seconded by Trey Merrick to accept the minutes of the meeting dated 9 August 2012 and the last quarterly financial report for July-August-September 2012. All were in favor.

Larry Cole, BCA, introduced Stuart Shaw (Eaton Vance Investments) and Greg Johnson (Parametric). Larry explained to the Board that due to a question that Sandy Model on the Police Board asked at the last meeting that Burgess invited these men to come and explain their products. The Fire Dept. Board agreed to let them quickly give an overview of their companies.

Assistant City Manager Michelle del Valle told the Board that the City had asked GRS to perform an Actuarial Impact Study at the expense of the City.

The Study requested by the City to GRS would include the following information:

- **Background-Under Current System**
  - Member contributions are credited with interest at the rate of 5%, compounded annually. All Members are entitled to a 3% annual cost of living adjustment (COLA) beginning at the age 60. Vested termination benefits are deferred to the earlier age of 55 or the date the Member would have completed 20 years of service.
Proposed Ordinance – Under the Proposed Ordinance
Member contributions are not credited with interest. Members who retire on or after Early or Normal Retirement Age (including DROP) are solely entitled to a 3% annual COLA beginning at age 60. Vested termination benefits are deferred to age 55.

The FD agreed to the City’s request.

A motion was made by Garry Mitchell and seconded by Trey Merrick to have an Impact Study completed of a Proposed Ordinance that would reduce the interest rate paid on contributions from 5% to 0 and to increase the time to 25 years as of the date of employment for the vested retirees to be able to collect their retirement funds. All were in favor.

Kim Calhoun and David Spike, Westwood, gave their investment report. They went over the 3rd quarter update information to the board. The 3rd Quarter year to date return was 5.9%, the year-to-date was 14.3% and since inception 8/1/08, annualized 2.7%.

Burgess Chambers, BCA, gave his report:

With the recent realignment of the asset allocation, the passive or indexed allocation was increased to 70%, as of September 30, 2012. The remaining activity manager portfolios are with Advent, Euro-Pacific, SSi and Westwood.

For the quartet the Plan earned $1.5 million (+4.2%, net). The three best performing asset categories were: Euro-Pacific International (+7.5%), BNY Mellon large-cap (+6.0%), and Westwood large-cap (+5.05). ICC’s large-cap product was liquidated during the quarter with the proceeds moved into BNY Mellon large-cap (S & P 500 index).

For the Fiscal year, the Plan earned $5.0 million (16.2% net) and ranked.

For the three-year period, the Plan earned $7 million (+7.9% net per year).

The $500K of the state contribution was invested (in accordance with the IPS allocations) on 8/29/12.

In the final review from BCA, Westwood’s large-cap product trailed the benchmark for the three-year period (+11.1% vs. +11.8%), but peer performance has improved: the 12-month ranking was in the top 40th percentile. BCA recommends no action at this time.

EuroPacific International outperformed its index by 150 bps per year over the past three years (+4.1% vs. +2.6%), but ranked in the 64th percentile. However, for the
12-month period, the product, the product ranked in the top 29th percentile. The risk (beta) and value added (alpha) profile remain favorable. BCA recommends no action at this time.

Advent and SSi to a greater extent positioned their portfolios among less equity sensitive convertibles, which explains trailing performance for 12-months, relative to the benchmark. For the year both products were well ahead of the Plan’s high quality bond index product (+5.2%) and YIPS (+9.2%).

A motion was made by Tony Grey and seconded by Garry Mitchell to move $200,000.00 from cash to investments as recommended by BCA. All were in favor.

A motion was made by Garry Mitchell and seconded by Tony Grey for an addendum be sent to Advent to change the quarterly fee calculation based on the average of account value at the end of each month rather than the value of the benefit at the end of the quarter. All were in favor.

Scott Christiansen, attorney, gave his report. Scott gave a basic explanation of the new state law concerning pensions and divorces. Scott stated that Jeff has the documents dealing with this issue. The attorney feels that this law is unconstitutional and in time will be repealed.

Scott discussed that the board did not need insurance because they were covered under the policy of the City of Winter Park.

Scott made sure the board was aware of the dates of the scheduled meetings for 2013.

Scott said that they are working with a tax attorney concerning any new tax changes that would affect the municipal pensions and then bring them up to date.

Scott briefly explained what is referred to as the “Naples Letter” to the Board. It has been re-interpreted by the state concerning the cities and unions. The City of Winter Park is not involved at this time.

The City Manager Randy Knight still has the Ordinance. He has had it since March 2012.

The meeting was adjourned at 5:45 P.M.

Respectfully Submitted:

Trey Merrick, Secretary

[Signature]

2-7-13