

WINTER PARK POLICE OFFICERS' RETIREMENT SYSTEM
Quarterly Meeting
14 August 2008
6:00 P.M.

MEMBERS: Murray Daniel, Chairman
Randy Durkee, Trustee
Zelle Washburn, Trustee

ATTENDEES: Jeff Templeton, Administrator
Kathy Reed, Administrative Assistant WPPD
Steve Mergler, Northstar
Scott Christiansen, Attorney
Grant McMurry, ICC
Burgess Chambers, BCA

GUESTS: Captain Art King
Captain Rex Straw
Captain Brett Railey

The meeting was called to order by Murray Daniel, chairman at 6:03 P.M.

A motion was made by Murray Daniel and seconded by Randy Durkee to accept the minutes of the meeting dated 15 May 2008 and the quarterly financial report for April-May-June 2008. All were in favor.

The Chairman asked that the Money Managers to wait to give their reports until after the guests attending the meeting speak with the Board concerning an offer made to the employees concerning a possible buy out for qualified employees.

Chairman Murray Daniel explained to the Board information from a hand out to Board Members concerning a possible buy out offer to qualified employees due to recent proposed budget cuts for the City of Winter Park. The offer was made by City Manager Randy Knight. Captains Straw, King, and Railey attended the meeting because they had questions for the Board to enable them to make an educated decision concerning their acceptance of the offer and their retirement.

If employees are interested they must respond to the City by 1 October 2007.

Chairman Daniel asked Scott Christiansen, if this is a pension benefit and how it would impact the pension funds. Scott explained that the pension would not be changed and that an Ordinance or Impact Statement would not be needed concerning this offer by the City. This offer is considered a bonus for a retiring employee. The issue is if the "bonus" is included in the definition of salary. Is it compensation to "leave" or services rendered as a police officer? It is up to the Board to interpret as to what will the City be responsible for?

A motion was made by Murray Daniel and seconded by Randy Durkee If the bonus from the City is approved the Board will use that money as salary and will treat the compensation as service and determine as salary. All were in favor.

Chairman Daniel asked Scott, if an employee decided on the PLOP would it create a larger deficit than actuarial predicted? Is the City responsible? The officers in attendance at the Board meeting are interested for the Actuary of the Plan to prepare studies and projections concerning their individual buyout opportunity.

Jeff Templeton reported that he had already spoken to Larry Wilson, actuary. Larry told Jeff that he can complete the studies and projections for each officer with several weeks. During that time the officers will have sufficient time to investigate the best way to invest their bonus. Jeff asked the employees in attendance to wait until after Monday's (August 18, 2008). He also said that he will meet with the Assistant City Manager concerning the buyout programs once the commission has approved the buyout

Brett Railey and Art King asked what was the normal procedure for the actuary to calculate their benefits and could Jeff give them an approximate calculation until the actuary prepares the final calculation. Jeff responded to them that he could give those interested in the buyout plan from the City an approximate calculation.

Burgess Chambers, BCA, gave his report. The fund was -1.4% for the quarter, -7.9% for the fiscal year-to-date, and -3.8% for one year. Burgess reported that Jeff Templeton, Administrator, advised Ann Orsek of Fiduciary Trust to have ICC Capital liquidate \$691,866.00 from the equity portfolio (it did not include ADR's). Northstar was directed to liquidate \$1,389,511 from the equity portfolio. The resultant cash of \$2,081,377.00 will be earmarked to fund the new EuroPacific account. Fiduciary Trust was also directed to open a new account and purchase \$2,081,377.00 of the American EuroPacific Growth Fund R5 (ticker:RERFX).

Burgess spoke about a compliance check list, total fund and performance ranking. He reported that BCA had taken corrective action over the last year in the areas needing attention.

Burgess reported that since Larry Katz, Trustee, had not attended the Quarterly Meeting, dated, 14 February 2008 when the Board discussed Westwood. Burgess met with Larry and explained the information to him so that he could make an educated judgment in hiring Westwood. Jeff Templeton, also, spoke with Larry concerning Westwood. Larry e-mailed Jeff and said that we would be in favor of hiring Westwood.

A motion was made by Murray and seconded by Zelle Washburn to hire Westwood and to authorize Scott Christiansen to write a contract and then have the Chairman and Secretary of the Board sign when complete. All were in favor.

Grant McMurry, ICC, gave his report. The fund was -1.56% for the quarter, -6.15% for the Fiscal Year-to-Date and 7.62% for the 5 year period. Grant discussed investment

Performance by sectors. He discussed Index sector returns and Sector diversification relative to the S&P 500 Index .He has been focusing on what sectors are going to be leaders or over priced in the market place.

Steve Mergler, Northstar, gave his report. The fund was -1.24% for the quarter, -3.45% for the Fiscal Year-to-Date, 3.47% for the 3 - year, 5.75% for the 5-year period. He explained that some of the highest quality U.S. companied has been the worst performer's year to date.

Scott Christiansen, attorney, gave his report.

Scott checked with the State and reported that all Financial Disclosure Forms for Board members had been received by the State.

Scott said that his office is presently re-doing their forms to remove SS# off most of their forms. The Special Tax notice has been revised to include Roth IRA. Section 415 tax code has been changed. With the adoption of the Pension Protection Act of 2006. The changes were made to Section 415 to amend and clarify the requirements for compliance with the section. As tax qualified, governmental pension plans, the plan is required to comply with and update the plan to reflect the changes in section 415. Scott said that his office is finalizing the language that will need to be used to amend the plan to accomplish the compliance. Benefits paid from the plan are subject to certain limitations found in Section 415 and all benefits must be tested under the applicable rules. This information will be given to the plans actuary and it is recommended, by Scott, for them to test all benefits pursuant to the guidance in the report. Scott said that Ordinance should be made to make sure that the plan is in compliance with all new IRS laws.

Scott said that a new law was passed stating that under the Fl. State Statutes Chapter 112 (Forfeiture of Pension) if convicted of a felony.

Scott said that he has forwarded a calendar of events to Jeff.

Scott reported that there was a small increase in state money.

Scott reminded the Board that there would be a free conference in Orlando September 8, 9 & 10, 2008. There will be a meeting afterward that may be interesting to Board members concerning some rules that Charles Slavin is implementing. Scott said that pension attorneys, actuaries, league of cities and unions will be there questioning these rules.

Scott Christiansen stated that the newly hired managers must sign the current Investment Policy.

The BNY/Mellon Bank had been hired from a motion at the 11 December 2007 meeting and had become effective 7 February 2008. A motion was made by Randy Durkee and

seconded by Murray Daniel to reaffirm the execution of the contract to BNY/ Mellon Bank and authorize the Plan Chairman and Secretary to sign it. All were in favor.

Jeff mentioned that BNY/Mellon Bank did not sign the contract in the correct places. Burgess Chambers will get the contract executed correctly from BNY/Mellon Bank so that the Chairman and Secretary of the Plan affix their signatures.

The meeting was adjourned at 7:40 P.M.

Respectfully submitted,

Randy K Durkee 11-13-08

Randy Durkee, Secretary