

WINTER PARK POLICE OFFICERS' RETIREMENT SYSTEM
Quarterly Meeting
10 November 2011
4:00 P.M.

MEMBERS;

Det. Murray Daniel, Chairman
Det. Tom Cronin, Secretary
Sandy Modell, Trustee
Robert Harvie, Trustee

ATTENDEES:

Jeff Templeton, Administrator
Scott Christiansen, Attorney
Grant McMurray, ICC
Kim Calhoun, Westwood
Larry Cole, BCA
Kathy Reed, Chief Railey's Assistant
Chief Brett Railey WPPD
Randy Knight, W.P. City Manager
Richard Ott
John Anke, BNY/Mellon
Scott Christiansen, Westwood
Sgt. Askins, WPPD

Chairman Murray Daniel called the meeting to order at 4:05 P.M.

A motion was made by Murray Daniel and seconded by Tom Cronin to accept the minutes of the meeting dated 11 August 2011 and the Quarterly Financial Report for July - August - September 2011. All were in favor.

Scott Christiansen, Attorney, announced that the Plan Summary would go into effect when the Union votes. Chairman Daniels advised that the union had already voted in the second week in October 2011. Scott Christiansen said that the Plan Summary is then in effect.

A motion was made by Murray Daniel and seconded by Tom Cronin to accept the Plan Summary and update Exhibit A. All were in favor.

A motion was made by Murray Daniel and seconded by Tom Cronin to have Scott Christiansen, plan attorney, draft an Ordinance to include salary changes to coincide with the changes passed by the legislature. All were in favor.

Scott Christiansen, attorney, gave the following dates for the meetings scheduled in 2012: 9 February 2012, 10 May 2012, 8 August 2012, and 8 November 2012. The meeting time for the Police Board will be 6:00 P.M.

Jeff Templeton, Plan Administrator advised the Board that the Ray Beary Conference Room had already been reserved for these dates.

Jeff Templeton brought attention to the Board that BCA had requested him to move excess monies from the cash account to purchase investments for the Plan. Since this has never occurred before, Jeff felt he did not have the authority to do this without the Board's permission. Scott suggested that he prepare a document indicating that Jeff be granted signature authority to include this type transaction as well as any current authorized items already approved by the Board.

Larry Cole, BCA, gave his report:

Larry Cole stated that the Plan experienced an investment loss of \$3.6 million (-10.6% net) trailing the strategic model (-9.7%); due to relative under-performance of the large-cap value (ICC) and international equity products. The best performance asset categories were TIPS (+4.6%) and fixed income (+3.8%). Following a strong FYTD cumulative return by June 30, equity markets declined sharply during the mid-July 30 September period. The investment program, while diversified, is not immune from geopolitical forces that stem from a dysfunctional Congress. Europe's sovereign debt uncertainty and resultant investor fears. Update: For the month of October, the Plan earned +7.0%.

For the fiscal year, the Plan experienced an investment loss of \$276K (0.9% net), narrowly behind the strategic model (+0.7%). The under-performance is mainly associated with ICC's under-performance (-6.9% vs. -6.9%). In ICC's large-cap value this product has added value above its benchmark for the five-year period, but has experienced underperformance since 2010.

The Pension Plan ranked in the top 21st percentile for the five-year period, in the BNY/Mellon Public Funds Universe.

Westwood large-cap value product showed strong relative performance beginning in 2Q10, but fell short during the mid-July to September sell-off in 3Q11. International product has added value above the benchmark for the three-year period. The TIPS allocation has been the best performing class of the investment program during the past 24 months.

The passive large, mid and small-cap products have performed better than the two large-cap managers for two and three year periods. Two of the three beat the active managers for the 12-month period. The post April 2009 domestic market has been a challenge for most active managers, as stock selection has been beaten out by momentum and increased use of exchange-traded funds.

Larry said that BCA would meet with ICC before the February meeting.

Grant McMurray - ICC:

Grant McMurray gave his report that for the current quarter the return was (-20.56%), for the fiscal-year-to-date (-7.57%) and for the three year (-4.31%).

Kim Calhoun - Westwood

Kim Calhoun reported that for the current quarter performance (3Q11) the return was (-17.3%), for 2011 the return was (-11.8%), since inception (-3.0%) and for the fiscal year performance (10/1/10) - (9/30/11) it was (-2.5%).

John Anke - BNY/Mellon

John Anke reported about the banks sponsored collective fund returns. For the current quarter (-19.85%):

EB Daily Valued Non/SL Stock Index Fund, inception date (2/19/09), for 3 - months (-13.87%), Year to Date (-8.68%), 1 year (1.13%), since inception (17.82%).

EB Daily Value Non/SL Mid Cap Stock Index Fund, inceptions date (11/12/09), for 3 months (-19.85%), Year to Date (13.00), 1 year (-1.265), since inception (8.19%).

EB Daily Valued Non/SL Small Cap Stock Index Fund, inceptions date (10/16/09), for 3 months (-21.83%), Year to Date (-17.04%), 1 year (3.56%), since inception (3.56%).

EB Daily Valued Non/SL Aggregate Bond Index Fund, inceptions date (12/4/08), for 3 months (3.80%), Year to Date (5.22%), 1 year (5.22%), since inception (7.41%).

EB Temporary Investment Fund, inception date (1/31/85), for 3-months (0.04%), Year to Date (0.15%), 1 year (0.22%), 3 years (0.45%), 5 years (2.05%), since inception (4.75%).

Scott Christiansen informed the Board that the State Insurance Premium Tax money (\$257,693.00) from Tallahassee had arrived at the City of Winter Park.

The meeting was adjourned at 5:15 P.M.

Respectfully submitted,

Tom Cronin, Secretary

