The meeting was called to order at 6:02 P.M.

A motion was made by Sandy Modell and seconded by Murray Daniel to accept the minutes of the meeting dated 9 February 2012 and the quarterly financial report, dated Jan-Feb-March 2012. All were in favor.

Det. Tom Cronin was re-elected by the officers of the Winter Park Police Department to serve 2-years as their representative trustee on the board.

Mike Broschart will be re-newed as a trustee by the City Commission for two years at their next scheduled meeting.

A motion was made by Det. Tom Cronin and seconded by Sandy Modell to elect Det. Murray Daniel to continue as Chairman of the Board. All were in favor.

A motion was made by Det. Murray Daniel and seconded by Sandy Modell for Det. Tom Cronin to be elected to the position of Vice-Chairman/Secretary. All were in favor.

Frank Wan, BCA, gave his report. Frank gave a summary of the total investment fund ending 31 March 2012. For the quarter, the Fund earned $2.4 million (+7.6% net), similar to the strategic model (+7.7%). Both ICC and Westwood beat their benchmarks. As expected, the convertible bonds beat straight bonds by a wide margin (+8.3% vs. +14.8%). The top three performing asset categories were: mid-cap passive (+13.5%), ICC large-cap (+13.0%), and large-cap passive (+12.6%).

He reported that the Fiscal YTD, the Fund earned $4.4 million (+14.6% net), similar to the strategic model (+14.8%). Both ICC and Westwood were ahead of their benchmarks. The top three performing asset categories were: small-cap passive (+29.8%), mid-cap passive (+28.2%), and ICC large-cap (+26.9%).
For the 12-month period, the Fund earned $902K (+2.8 net), trailing the benchmark (+5.0%), due to underperformance of ICC large-cap. ICC's large-cap has shown strong improvement since October 1. The top three performing asset categories were: TIPS passive (+12.3%), large-cap passive (+8.4%), and fixed income passive (+7.7%).

Frank said that for the three-year period, the Fund earned $11.5million or +14.5% net per year, beating the actuarial assumption rate. While the strategic model achieved a 42nd percentile ranking, consistent with the IPS (+40th percentile), the Fund experienced a 78th percentile ranking – due to ICC and Westwood’s under-performance during the 2010 and 2011.

For the Five-year period, the Fund earned +3.8% net and ranked in the top 21st percentile. Due to a $629K contribution made on 03/29/12, BCA recommends reducing the cash allocation back to the percent target.

Frank explained their compliance: ICC's large-cap product, which trails its benchmark for the one, two, and three-year periods, ranks well below average. Poor performance during the first three quarters of 2011 dragged down the three and five-year averages and ratings. Problems with stock selection have plagued this program recently. This product represented 9.4% of the Plan assets on March 31. A look back to the 12/31/10 monitoring report reveals a different story. ICC's one, three and five-performance was ahead of its benchmark and rankings were within the policy objectives. On a five-year basis, the product has delivered excess returns of 1.3% per year. Given the firm's strong showing over the long objectives. On a five-year basis, the product has delivered excess returns of +1.3% per year. Given the firms' strong showing over the long run, and improved relative performance since 1 October, BCA recommends no action at this time. However, the magnitude of underperformance in 2011 remains of concern.

Westwood's large-cap product trails the benchmark for two and three-year periods, but relative performance has improved during the past 12-months, as results are beating the benchmark and the 12-month ranking is now average. With improving performance and the product's style appearing to be in favor, BCA recommends no action at this time.

Frank provided a real estate analysis comparing Direct vs. REIT. Direct real estate would serve the purpose of capital preservation and complements to bonds. The discussion that ensued with the board ended with the board requesting a follow-up study from BCA. They also wanted included the worst-case scenarios of this type of investing.

A motion was made by Det. Murray Daniel and seconded by Det. Tom Cronin to move $400,000 from cash to convertibles. All were in favor.

Grant McMurray, ICC, gave his report. The current quarter was 12.96%, for the one-year a (-2.17%) and for the five-year period (1.14%).

Larry Wilson, GRS, gave his report on the 1 October 2011 Valuation:

Larry said that as requested by the City of Winter Park and approved by the Board, the 1 October 2011 determines the minimum required contribution for the fiscal year ending 30 September 2013. The minimum required contribution for the fiscal year beginning 1
October 2012 is 57.1% of covered payroll for fiscal year ending 30 September 2013. $2,459,653 based on projected covered annual payroll for fiscal year ending 30 September 2013 - $24,307,624.

Larry said that they anticipated member contributions will be 6.0% of covered payroll for fiscal year ending 30 September 2013 ($258,457) and allowable State contributions will be 6% of covered payroll for fiscal year ending 30 September 2013 ($257,694) leaving a City requirement of 45.1% of covered payroll for the fiscal year ending 30 September 2013 ($1,943,502). To the Extent State contributions are less than $257,694, the City will be required to make up the difference.

The net actuarial value of assets as of 1 October 2011 is $32,609,103. The net market value of assets as of 1 October 2011 is $32,609,103. The net value of assets as of 1 October 2011 is $29,995,236.

There are 71 active members and 68 inactive members (including DROPs) as of 1 October 2011. The actuarial value net investment return was -1.04% - less than the assumed rate of 8.25%. The market value rate of return was -0.79%.

Plan expenses were 52 basis points of the mean invested market value of assets.

The System experienced an actuarial loss of $2,534,073 during fiscal year ended 30 September 2011. Investment return (smoothed actuarial value) and employee turnover were generally sources of actuarial loss – salary increases were generally an offsetting source of actuarial gain.

The City contributed in excess of the minimum required City contribution for fiscal year ended 30 September 2011. This excess City contribution resulted in an increased System Funded Ratio and in future System contribution requirements starting with fiscal year 2013.

A motion was made by Det. Murray Daniel and seconded by Sandy Modell to accept the Actuarial Report. All were in favor.

Scott Christiansen, plan attorney:

Scott acknowledged that the election and appointments had taken place as stated by the Plan.

He reminded the Board that Form 1’s needed to be completed and filed properly.

He told the Board that nothing that had been talked about or written had passed in this Legislature.

Scott said that the Ordinance on Salary was sent to the City Manager, Randy Knight. It will not become effective until the Police Department have their new contract in place.

Scott explained to the Board that the two motions needed to be completed. (1) Concerning the Proposed Rule 4.5 for Jeff Templeton to have the authority to transfer money and (2) submitting the Declaration of Investment to the state.
A motion was made by Sandy Modell and seconded by Det Murray Daniel that Proposed Rule 4.5 – Operating Rules & Procedures gives Jeffrey Templeton, Pension Administrator, the authority of transfer funds. All were in favor.

A motion was made by Det. Murray Daniel and seconded by Mike Brouschart to submit the Declaration of Investment to the State Actuarial that the expected return will be 8.25% for the next year, the next several years, and the long-term. All were in favor.

Jeff Templeton, Plan Administrator, mentioned to the board and Scott Christiansen that he had been asked by several trustees that perhaps they could host a seminar of continued education for Board members like Scott did at Cocoa Beach sometime in the future between the two pension meetings. Jeff said that they could invite other pension board members to come. The February 2013 meeting may be a good date since it is a meeting that money managers or the actuary normally do not attend to give reports. Scott said that he could do that. It will be discussed further at another meeting.

Sandy Modell asked those in attendance if there were other strategies available to make money for the fund. Frank Wan, BCA and Grant McMurray, ICC would be looking into that question.

The meeting was adjourned at 7:49 P.M.

Respectfully submitted,

[Signature]

Det. Tom Cronin, Secretary

02-07-12