

WINTER PARK POLICE OFFICERS' RETIREMENT SYSTEM
Quarterly Meeting
7 November 2013
6:00 P.M.

MEMBER Sgt. Rafael Berrios, Chairman
 Sgt. Kevin Roesner, Secretary
 Sandy Modell, Trustee
 Robert Harvie, Trustee
 Mike Broschart, Trustee

ATTENDEES Scott Christiansen, Attorney
 Bryan Templeton
 Mitchell Brennan, BCA
 Burgess Chambers, BCA
 Kathy Reed, Chief Raileys assistant, WPPD

Chairman Rafael Berrios called the meeting to order at 6:00 P.M.

A motion was made by Sandy Modell and seconded by Sgt. Kevin Roesner to accept the minutes of the meeting dated 8 August 2013 & Quarterly Financial Report for July-August-September 2013. All were in favor.

Burgess Chambers reviewed a Program Analysis that was compiled for the Winter Park Police Officers' retirement System. The analysis provided a target performance history for the past 15 years and gave the distribution of returns history for the past 30 years.

There was a general discussion between Board members and Burgess Chambers concerning the funding of the MLP's. He said there were two options concerning them: Option A - was to move the funds from equities and Option B - was to move funds from fixed income.

A motion was made by Sgt. Rafael Berrios and seconded by Sgt. Kevin Roesner to fund 1 million dollars with Westwood (MLP) and to accept the agreement with them. All were in favor.

A motion was made by Sgt. Kevin Roesner and seconded by Mike Broschart to accept Option B - moving the funds from fixed income accounts. All were in favor.

Chairman Rafael Berrios signed the Investment Policy Agreement that Scott Christiansen, Plan Attorney had approved.

A motion was made by Sandy Modell and seconded by Sgt. Kevin Roesner to move 1 million dollars from large/mid/and small cap funds to fund 60% convertibles and 40% international accounts. All were in favor.

Burgess Chambers – BCA gave his Investment Summary Report:

For the quarter, the Plan earned \$1.8 million or (-4.86%) (+4.81% net). The three best performing asset categories were: BNY Mellon small-cap passive (+10.2%), EuroPacific International (+9.7%), and BNY Mellon mid-cap passive (+7.5%).

For the fiscal year, the Plan earned \$4.4 million or +13.1% (or +12.9% net) and ranked in the top 36th percentile. The three best performing asset categories were: BNY Mellon small-cap passive (+30.1%), BNY Mellon mid-cap passive (+27.7%, and Westwood large-cap (+22.3%).

For the three-year period, the Plan earned \$9.2 Million, averaging +9.3% net, per year. For the five-year period, the investment program averaged +7.8%.

The IPS has been revised to reflect a 2.5% target allocation to MLP's. If approved, BCA recommends the following rebalancing: \$1,000,000 to MLP, an additional \$600,000 to convertibles, and additional \$400,000 to international with sources to come from \$640,000 from fixed income, \$1,000,000 from BNY Mellon large-cap, \$180,000 from mid-cap, and \$180,000 from small-cap.

Westwood's large-cap product trailed the benchmark for the three and five-year periods, but continues to improve beating the benchmark for the quarter (+4.2% vs. +3.9%) and one-year (+22.34% vs. 22.34% vs. +22.30%) periods. The firm's peer rankings continues to improve one-year superior to three-year (59th vs. 65%), and three-year superior to five-year (65th vs. 95th).

EuroPacific's international product was ahead of the benchmark (+8.0% vs. +6.9%) for the five-year period and ranked in the top 48th percentile. The (risk (beta) was lower than the index for this period (.94x). This product missed the benchmark for the three-year period, due to the 12-months results. The primary detractor has been emerging market stocks, which are absent from MSCI EAFE benchmark. This diversified portfolio of +300 stocks can face headwinds during broad market sell-offs. However, the 10 portfolio counselors managing the product have demonstrated value-added over longer periods. BCA recommends changing the benchmark to the MSCI All Country World index excluding U.S. (MSCI ACWI ex US), which includes emerging markets.

For the quarter, Advent results were well ahead of the Plan's bond and TIPS products (+5.9% vs. +6%).

Scott Christiansen, attorney, gave his report:

Scott Christiansen asked the Board for verification that the Declaration of Expected investment return was sent to Tallahassee.

Scott asked for verification that the Internal Revenue Ordinance was sent to Tallahassee.

Scott gave an update from dealings with the State Division of Retirement. He discussed some misinterpretations on the States behalf that are being corrected. He discussed 175/185 plans, if changed over to FSR and having defined benefit plans turned into a defined contribution plan. He will present further information when he has it.

Scott discussed the contract for social security checks and the changes that were made.

A motion was made by Sandy Modell and seconded by Mike Broschart to accept the most recent Ryder Version of the Custodial Services Agreement. All were in favor. The document was signed and sent to Tallahassee.

There was a discussion concerning the proposed meeting dates for 2014. The dates were agreed upon with the exception of the time of the WPPD meeting to be changed to 4:00 P.M. It was decided to leave the meeting time at 6:00 P.M.

The was no new business and no public input.

A motion was made by Sgt. Kevin Roesner and seconded by Sandy Modell to adjourn the meeting. All were in favor,

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K. Roesner', with a long horizontal flourish extending to the right.

Sgt. Kevin Roesner, Secretary