

Winter Park Police Officers' Retirement System
Quarterly Meeting
4 August 2016
6:00 P.M.

Member: Lt. Kevin Roesner, Chairman
Sgt. Scott Williams, Vice Chairman / Secretary
Mike Broschart, Trustee

Attendees: Scott Christiansen, Attorney
Burgess Chambers, BCA
Jeff Templeton, Administrator
Michael Templeton, Battalion Chief
William Deuchler

Chairman Kevin Roesner called the meeting to order at 6:00 P.M.

A motion was made by Mike Broschart and seconded by Scott Williams to accept the minutes of the meeting dated 5 May 2016, minutes from the Special Joint Meeting between the fire and police boards dated 5 May 2016, and Quarterly Financial Report April-May-June 2106. All were in favor.

Public input:

William Deuchler was introduced to the board as a possible candidate for filling the trustee vacancy on the board.

No other public input.

Burgess Chambers gave Investment Summary Report:

For the quarter, the fund earned \$1.1 million or +2.5% (+2.5% net), similar to the strategic model (+2.9%). Results ranked in the top 12th percentile in the national peer group of defined benefit pension plans. The top three performing categories were: Westwood MLP (+15.8%), passive mid-cap core (+4.0%), and passive small-cap (+3.8%). The gross and net returns appear the same, due to rounding.

Fiscal year-to-date, the Fund earned \$2.6 million or +6.4% (+6.2% net) and ranked in the top 30th percentile. The top four performing categories were: Westwood large-cap value (+11.5%), passive large-cap core (+11.1%), passive mid-cap core (+10.8%), and Westwood MLP (+10.7%). Each of the equity products experienced excellent rankings.

For the four-year period, the Plan earned \$11.8 million, averaging +7.9% (+7.6% net).

In June 2016, American Core Realty issued a capital call of which \$750k was funded on June 30th.

In June 2016, Cornerstone Patriot Private Real Estate issued a capital call of which \$750k was funded on July 1st.

Manager Reviews

Westwood's large-cap product has shown strong improvement during the past two years, achieving its benchmark for the three and five-year periods, and ranked in the top 25th and 39th percentiles, respectively.

Advent's convertible bond product trailed the benchmark for the three and five-year periods and ranked below average. The board may want to consider replacing Advent with another active firm (SSI) or the index (CWB).

American Funds Euro-Pacific beat its benchmark for the three and five-year periods, and ranked in the 35th and 45th percentile, respectively.

Burgess offering to bring more information on the index (CWB) for next meeting. Board discusses investment options with Burgess.

A motion was made by Mike Broschart and seconded by Kevin Roesner to take half of the current Advent Convertible Securities (approx. 2.165 million) and invest into the Index (CWB). Burgess endorses motion.
All were in favor.

Rebalancing discussion on how to bring Private Real Estate up to the target percentage of 5%, currently at 3.4%. Burgess recommending to take 1% (roughly 440k) out of bonds and the remainder out of domestic equity to gain the 1.6% needed to meet the target for Private Real Estate. Board also discussed upcoming cash needs with administrator.

A motion was made by Kevin Roesner and seconded by Mike Broschart to move \$700,000 from BNYM Aggregate Bond Index into Private Real Estate, split evenly between American Realty Fund and Cornerstone Real Estate.
All were in favor.

A motion was made by Kevin Roesner and seconded by Mike Broschart to raise \$500,000 cash for expenses from Domestic Equities. Burgess will determine which funds to pull money from.
All were in favor

Scott Christiansen, attorney, gave his report:

Financial Disclosure Forms have been completed and confirmed online. Missing two forms from previous board members, they need to do a final form or else they may be fined by the State. Administrator advised they have been informed

Since the last meeting a memo was produced about DROP rules, regarding separation from the City at the conclusion of the DROP.

Internal Revenue Code Ordinance has been adopted by the City and has been sent Tallahassee.

State Report has been approved and State Money should be arriving shortly. City Finance will forward money to the fund as soon as they receive it.

Contracts with Cornerstone Real Estate and American Realty have been completed.

Rate of return was declared at the last meeting and the letter has been sent to Tallahassee.

New Business:

Jeff Templeton, Administrator

Every year a Budget of Administrative Expenses needs to be approved. Administrator reviewed the budget with the board.

A motion was made by Kevin Roesner and seconded by Mike Broschart to approve the City of Winter Park Police Officer's Retirement System Budget of Administrative Expenses for October 1, 2016 – September 30, 2017.

All were in favor

GRS Compliance Report for the boards review. This report is required by legislation and needs to be completed each year. This report has to make actuarial assumptions by taking 2% away from 7.75% and had to change the assumption on mortality. This report has already been sent to Tallahassee.

Roesner discussed monthly expenditures, asking for a pay increase of 3% each year starting October 1, 2016 for the plan administrator.

A motion was made by Kevin Roesner and seconded by Mike Broschart to amend the plan administrators contract to add a 3% COLA each year starting October 1, 2016.

All were in favor

No old business

A motion was made by Kevin Roesner and seconded Mike Broschart to adjourn at 6:55 P.M.
All were in favor

Respectfully submitted,

Sgt. Scott Williams, Secretary