

Regular Meeting Minutes  
Board of Trustees of the City of Winter Garden  
Pension Plan for General Employees  
March 6, 2018

A **REGULAR MEETING** of the Board of Trustees of the Pension Plan for General Employees was called to order by Chairman Theo Graham at 3:34 p.m. in Conference Room 213 at 300 West Plant Street, Winter Garden, Florida 34787-3009.

**PRESENT:** Chairman Theo Graham, Secretary Dan Kuhl, Board Member Michael Caines, John Thinnes and Brad Hess of AndCo Consulting, L.L.C., Scott Christiansen of Christiansen & Dehner, P.A., Grant McMurry and Todd Wishnia of Highland Capital Management, LLC., Douglas Lozen of Foster & Foster, and Ariel Kenon of City Staff. Board Member Steve Santiago arrived at 3:37 p.m.

**APPROVAL OF MINUTES**

Approval of minutes of the regular meeting dated December 05, 2017. **Motioned by Secretary Kuhl to approve the minutes. Seconded by Member Caines and carried 3-0.**

**INVESTMENT REPORTS**

Grant McMurray & Todd Wishnia of Highland Capital Management, LLC presented their firm's investment review for the Quarter Ending December 31, 2017. The Highland portfolio had a market value of \$11.11 million at the end of the quarter. Returns were 6.15% for the period, 17.85% for the past year, and an annualized return of 12.04% for the past five years. The market value allocation of the Highland portfolio was 6.8% in Cash & Equivalents, 61% in Common Stock, and 32.2% in International Equity.

John Thinnes of AndCo Consulting presented his firm's investment performance review for the Period Ending December 31, 2017. The fund experienced net inflows of \$91,384 and investment gains of \$994,340 resulting in an ending balance of \$28,048,768 as compared to the previous quarter of \$26,963,045. The current net rate of return for the quarter is 4.19% compared to the policy index of 3.89%. Fiscal year to date and for the past year, 3 years, 5 years, and since inception, the fund has had annualized returns of 4.19%, 13.25%, 6.50%, 9.53% and 5.98%, respectively.

Mr. Thinnes also discussed allocating some of the plan funds to a new manager with the Board. He recommended allocating some of the funds from managers Highland Capital and Sawgrass Asset Management into a Vanguard Total Stock Index Fund to reduce the cost of exposure. He also discussed the ongoing performance of Sawgrass and suggested allocating half of their portfolio to another manager if they couldn't address their recent performance issues by the next meeting in June, the Board agreed to make a decision at the next meeting depending on their performance as of then.

**Motioned by Member Caines to allocate \$1.5 million from Highland Capital Management and \$1.5 million from Sawgrass Asset Management to the Vanguard Total Stock Index Fund. Seconded by Member Santiago carried 4-0.**

## OLD BUSINESS

There was no old business for discussion.

## NEW BUSINESS

The Board discussed the benefit calculation and selection for Hiram Bledsoe and Gary Sapp's entry into DROP. **Motioned by Secretary Kuhl to approve Hiram Bledsoe and Gary Sapp's entry into DROP. Seconded by Member Santiago carried 4-0.**

Mr. Lozen presented the Actuarial Valuation as of October 1, 2017, showing an increase in employer contributions from 11.68% of payroll for fiscal year 2018 to 12.79% of payroll for fiscal year 2019. **Motioned by Board Secretary Kuhl to approve the Actuarial Valuation. Seconded by Member Caines and carried 4-0.**

The Board discussed and determined the expected annual rate of investment return for the next year, the next several years, and the long-term thereafter to be 7.25%. **Motioned by Secretary Kuhl to approve the expected investment rate of return of 7.25% for the next year, the next several years, and the long-term thereafter. Seconded by Board Member Santiago and carried 4-0.**

## MATTERS OF THE CHAIRMAN AND BOARD MEMBERS

There were no matters of the Chairman or Board.

## ATTORNEY'S REPORT

Mr. Christiansen reviewed the proposal from Kessler, Topaz, Meltzer & Check LLP for securities monitoring services with the Board. **Motioned by Member Caines to approve the agreement for securities monitoring with Kessler, Topaz, Meltzer & Check LLP. Seconded by Secretary Kuhl and carried 4-0.**

Mr. Christiansen presented an amendment to the operating procedures section 1.9 (Education) allowing trustees to obtain or maintain a CPPT certification or attend training as needed to satisfy education requirements without prior Board approval. **Motioned by Member Santiago to approve the addendum to the operating rules and procedures section 1.9 (Education). Seconded by Member Caines and carried 3-0.**

Lastly, Mr. Christiansen suggested a comprehensive update to the operating rules & procedures since the last full update was completed in 2003. **Motioned by Secretary Kuhl to update the plan operating rules & procedures. Seconded by Member Caines and carried 4-0.**

**BILLS AND EXPENSES FOR APPROVAL**

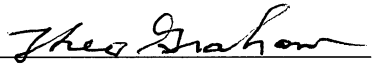
The following bills and expenses were presented to the Board for Approval:

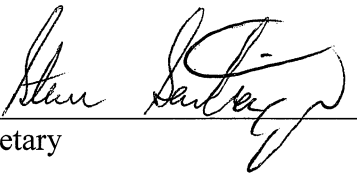
- A. AndCo Consulting invoice 24016 dated 12/29/2017 in the amount of \$5,625.00
- B. Christiansen & Dehner, P.A. invoice 31686 dated 12/31/2017 in the amount of \$1,139.35.
- C. Christiansen & Dehner, P.A. invoice 31792 dated 01/31/2018 in the amount of \$426.48.
- D. Foster & Foster invoice 11449 dated November 24, 2017 in the amount of \$500.00.
- E. FPPTA invoice 200000714 dated November 30, 2017 in the amount of \$600.00.
- F. FPPTA invoice 200000844 dated December 11, 2017 in the amount of \$900.00.
- G. FPPTA invoice 200000845 dated December 11, 2017 in the amount of \$600.00.
- H. Garcia, Hamilton, & Associates Invoice 28703 dated 01/03/2018 in the amount of \$3,878.14.
- I. Highland Capital Management Invoice 17366 dated 01/05/2018 in the amount of \$11,109.66.
- J. Salem Trust fee advice dated 01/04/2018 in the amount of \$3,921.75.
- K. Sawgrass Asset Management invoice wigal10s-123117 dated 01/09/2018 in the amount of \$11,325.56.

**Motioned by Secretary Kuhl to approve the bills and expenses as presented. Seconded by Board Member Santiago and carried 4-0.**

**ADJOURNMENT**

Meeting was adjourned at 4:55 pm

  
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Chairman

  
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Secretary