

**WINTER GARDEN POLICE OFFICERS' & FIREFIGHTERS'
PENSION BOARD MEETING MINUTES
TUESDAY, MARCH 3, 2015 – 5:30 P.M.**

1. Call to Order and Roll Call

The meeting was called to order at 5:35 p.m. by the Acting Chairman, Erik Halluska. The following members were present: Phil Cross and Art Vogler. Chairman Resko was running late and Joe Morabito was absent. The following service providers were also in attendance: Scott Christiansen, Plan Counsel, Doug Lozen, Plan Actuary, Grant McMurry, Investment Manager, and John Thinnes, Investment Consultant. Also present was Police Officer member James Givens.

2. Approval of Minutes

A motion was made by Phil Cross to approve the minutes from the regular meeting held December 2, 2014. Seconded by Art Vogler, the motion carried unanimously.

3. Disbursements

A motion was made by Phil Cross to approve the disbursement report as presented. Seconded by Art Vogler, the motion carried unanimously. *(Copy is attached for the record.)*

Chairman Resko arrived at the meeting.

4. Actuarial Valuation Report

Doug Lozen presented the Actuarial Valuation Report as of 10/01/14. Following some discussion, a motion was made by Erik Halluska to approve the report as presented. Seconded by Phil Cross, the motion carried unanimously.

A discussion then took place regarding the annual Declaration of Returns letter. Following input from the investment professionals, attorney, and the Trustees, a motion was made by Phil Cross to submit the annual letter to the Division of Retirement stating that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.5%, net of investment expenses. Seconded by Tom Resko, the motion carried unanimously.

5. Investment Manager's Report

Grant McMurry presented the portfolio results for the quarter ending December 31, 2014. Ending value was \$11,233,870. The cumulative return was 3.70%.

Grant concluded his report by informing the Board that ICC has been purchased by Highland Capital Management. Because of the assignment of the investment contract that the Board currently has with ICC, the Board was required to acknowledge notification of this transaction by signing the consent agreement. Following some discussion, and input from the Investment Consultant, a motion was made by Art Vogler to authorize the Chairman to execute the consent agreement on behalf of the Board and to authorize the Attorney to prepare a new Investment Agreement with Highland Capital Management at the same rate (40 basis points). Seconded by Tom Resko, the motion carried unanimously. The Chairman signed three copies of the consent; one for ICC, one for the Attorney, and one for the Pension Board.

6. Investment Consultant's Report

John began his report to the Board by discussing the changes that have taken place at The Bogdahn Group. This change in ownership structure meets the definition of an assignment of the Board's investment advisory contract under SEC rules and; therefore, requires consent.

Following a brief discussion, a motion was made by Erik Halluska to authorize the Chairman to sign the consent agreement on behalf of the Board. Seconded by Phil Cross, the motion carried unanimously.

John then presented the consultant's report for the period December 31, 2014. The asset allocation for the period at Market Value was: Domestic Equity – 51.2%, International Equity – 8.8%, Domestic Fixed Income – 22.2%, Global Fixed Income – 5.3%, Real Estate – 9.5%, and Cash – 2.9%. Total value was \$30,927,553. John also confirmed that the Plan does not have any investments with scrutinized companies and that they are also in compliance with PFIA.

7. Attorney's Report

Scott began his report with a brief legislative update. He continued his report by discussing several issues that have recently plagued our Custodian, Salem Trust. Back in June 2013 they received an unfavorable opinion from their auditors as a result of not following procedures which was partly due to the system conversion that they were going through. Since that time they also had to deal with a fraud issue regarding its affiliate, Pennant Management. While Salem Trust has presented a letter addressing both matters and has not been found fraudulent in any way, they are under scrutiny and will face another audit in June 2015. Scott recommended that, while we await the next audit results, the Board take a pro-active position by authorizing the Investment Consultant to gather some informal bids from other Custodians and bring the information to the Trustees at the next meeting. The Trustees concurred.

8. Old Business

Ordinance No. 14-42, amending Section 54-189, allowing for an increase in investment in foreign securities to 25% (as required by Chapters 175 and 185, Florida Statutes) was approved by the City Commission, at second reading, on December 11, 2014.

John Thinner will present the amended Investment Policy Statement incorporating the new investment language to the next meeting for the Trustees review and approval.

9. New Business

There was none.

10. Public Comments

There was none.

11. Next Meeting Date

Next regular meeting date was set for Tuesday, June 2, 2015 at 5:30 p.m.

12. Adjournment

The meeting ended at 6:55 p.m.

For the Board: _____

