

Chris McCullion, Treasurer, called the Pension Advisory Committee and Firefighters' Pension Board Meeting to order at 1:10 p.m. on August 5, 2009 in the Overlook Conference Room, 9th floor, City Hall, Orlando, Florida. There was a quorum for the Pension Advisory Committee and Firefighters' Pension Board.

PAC Members Present

Jay Carr, Police Department
Les Conley, L.I.U.N.A. Representative
Cheryl Cummings, Families, Parks & Recreation
Jon Dorman, Orlando Venues
Susan Geller, S.E.I.U. Representative
Ben Gray, Transportation
Paulette Edwards, Housing, Community Development
David Rafanowicz, Executive Offices (arrived at 1:45 pm)
Michael Rhodes, Economic Development
Rebecca W. Sutton, Chair
Rick Howard, Public Works
Liza Floyd Jacobs, Fire Department
R.icky Suggs, L.I.U.N.A. Representative

Firefighters' Pension Board Trustees Present

Ronald Glass, Chairman
John Miller, Vice-Chair
Rebecca W. Sutton, Trustee
Mario A. Garcia, Trustee

Firefighters' Pension Board Trustee Absent

Michael Droege, Secretary

Others Present

Christopher P. McCullion, Treasurer and Executive Director
Fire & Police Pension Boards
Katrina Laudeman, Deputy Executive Director
Fire & Police Pension Boards
Rochelle Burlon, Pension Coordinator
Kevin Leonard, NEPC

1. INTERNATIONAL EQUITY MANAGER SEARCH RESULTS

Kevin Leonard, Investment Consultant from NEPC, reviewed the search results and each manager they recommend. Discussion ensued.

PENSION ADVISORY COMMITTEE

A MOTION TO AUTHORIZE NEPC TO SCHEDULE MANAGER INTERVIEWS WITH THE FOLLOWING FIRMS: ARTIO GLOBAL MANAGEMENT, LLC; FRANKLIN TEMPLETON INVESTMENTS; AND THORNBURG INVESTMENT MANAGEMENT, INC.; was made by M. Rhodes and seconded by D. Rafanowicz, **MOTION CARRIED UNANIMOUSLY.**

FIREFIGHTERS' PENSION BOARD

A MOTION TO AUTHORIZE NEPC TO SCHEDULE MANAGER INTERVIEWS WITH THE FOLLOWING FIRMS: ARTIO GLOBAL MANAGEMENT, LLC; FRANKLIN TEMPLETON INVESTMENTS; AND THORNBURG INVESTMENT MANAGEMENT, INC.; was made by J. Miller and seconded by R. Sutton; **MOTION CARRIED UNANIMOUSLY.**

2. ADOPTION OF NEW INVESTMENT POLICY STATEMENTS

K. Leonard reviewed the investment policy statements for the General Employees and Firefighters' Pension Funds. Our last investment policy was completed in 2000 and needed to be updated.

C. McCullion advised that the Firefighters' Pension Board Attorney has reviewed the investment policy and that his comments had been incorporated.

FIREFIGHTERS' PENSION BOARD

A MOTION TO ADOPT THE NEW INVESTMENT POLICY AS PRESENTED was made by J. Miller and seconded by M. Garcia; **MOTION CARRIED UNANIMOUSLY.**

PENSION ADVISORY COMMITTEE

A MOTION TO ADOPT THE NEW INVESTMENT POLICY FOR THE GENERAL EMPLOYEES' PENSION FUND AFTER THE CITY ATTORNEY HAS REVIEWED IT, was made by D. Rafanowicz and seconded by R. Howard. Discussion ensued. **A MOTION TO TABLE THIS MOTION** was made by L. Conley and seconded by M. Rhodes, **MOTION CARRIED.**

A MOTION TO HAVE THE CITY ATTORNEY'S OFFICE REVIEW THE INVESTMENT POLICY FIRST AND THEN THE INVESTMENT POLICY WILL BE VOTED ON AT THE NEXT MEETING was made by M. Rhodes and L. Conley, **MOTION CARRIED UNANIMOUSLY.**

3. **APPROVAL OF ASSET ALLOCATION PLAN**

K. Leonard reviewed the asset allocation plans that have been presented several times over the last few months.

FIREFIGHTERS' PENSION FUND

A MOTION TO APPROVE THE ASSET ALLOCATION AS PRESENTED WITH THE INTERIM TARGET ALLOCATION AND A CLOSE SCRUTINY ON KEEPING THE REBALANCING OF THE INTERNATIONAL EXPOSURE AT TWENTY-FIVE PERCENT (25%) OF TOTAL ASSETS was made by R. Glass and seconded by R. Sutton; **MOTION CARRIED UNANIMOUSLY.**

PENSION ADVISORY COMMITTEE

A MOTION TO APPROVE THE ASSET ALLOCATION AS PRESENTED WITH THE INTERIM TARGET ALLOCATION, was made by M. Rhodes and seconded by R. Suggs; **MOTION CARRIED UNANIMOUSLY.**

K. Leonard advised that the asset allocation recommends a Small-/Mid-Cap (“SMID Cap”) Growth and SMID Cap Value manager search.

FIREFIGHTERS’ PENSION BOARD

A MOTION TO AUTHORIZE NEPC TO CONDUCT SEARCHES FOR SMID CAP GROWTH AND SMID CAP VALUE MANAGERS WITH NO TERMINATIONS OF ANY MANAGERS AT THE PRESENT TIME; was made by J. Miller and seconded by M. Garcia; **MOTION CARRIED UNANIMOUSLY.**

PENSION ADVISORY COMMITTEE

A MOTION TO AUTHORIZE NEPC TO CONDUCT SEARCHES FOR SMID CAP GROWTH AND SMID CAP VALUE MANAGERS WITH NO TERMINATIONS OF ANY MANAGERS AT THE PRESENT TIME; was made by R. Suggs and seconded by M. Rhodes; **MOTION CARRIED UNANIMOUSLY.**

K. Leonard reviewed the equity portfolio transition.

FIREFIGHTERS’ PENSION BOARD

A MOTION TO ADJUST THE INTERIM TARGET FOR LARGE CAP EQUITIES TO TWENTY ONE PERCENT (21%) WITH A MANDATE OF FIFTEEN PERCENT (15%) TO LARGE CAP CORE PASSIVE; THREE PERCENT (3%) TO ACTIVE GROWTH AND THREE PERCENT (3%) TO ACTIVE VALUE, AMONG OUR PRESENT MANAGERS; was made by J. Miller and seconded by M. Garcia; **MOTION CARRIED UNANIMOUSLY.**

4. UPDATE ON CORE AND VALUE ADDED REAL ESTATE MANAGER SEARCHES

K. Leonard advised that the Core Real Estate Fund search should be completed within the next thirty days and the value added Real Estate Fund of Funds Manager search soon thereafter.

5. GLOBAL ASSET ALLOCATION AND CREDIT OPPORTUNITIES MANAGER SEARCHES

This is presently not a priority and will be completed when the other searches have been finalized.

6. **IRAN/SUDAN DIVESTITURE REQUIRED BY NEW STATE LAW**

C. McCullion reviewed the state legislation signed into law this past session that affects Chapters 175/185 (the Fire and Police Pension Funds) regarding the identification and reporting of "scrutinized" companies with business activities in Iran and Sudan. The State has prepared a list of companies for our review. NEPC will advise our money managers so we can report any "scrutinized" companies in our mutual funds and other commingled vehicles as of January 1, 2010. Any direct holdings will have to be divested by September 30, 2010. We will be in full compliance.

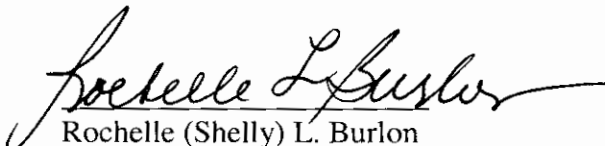
K. Leonard advised that he will prepare a "Work Flow Plan" for our next meeting with regard to all our pending searches.

Meeting adjourned at 3:40 p.m.

Respectfully submitted,



Rebecca W. Sutton
Chairman



Rochelle (Shelly) L. Burlon
Pension Coordinator