



## **GENERAL EMPLOYEES' PENSION FUND NEWSLETTER**

Volume 2, Issue 2

November 2007

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### **MESSAGE FROM THE CHAIRMAN:**

**Dear Members:**

At the quarterly Pension Investment and Evaluation Meeting on September 5, 2007, Kalson & Associates, Pension Consultant, stated that all three City Pension Plans beat their blended benchmarks in the second quarter of 2007. The General Employees' Pension Plan gained 3.2% while its benchmark rose 2.7%. Within the domestic equity arena, three of the five active managers outperformed their indices. Duff & Phelps, the real estate investment trust manager, unfortunately, came back down to earth as did the REIT market as a whole. The Manager lost 10.7% while the index dropped 9.0%.

Bernie Schoenfeld, Leading Economist from the Bank of New York (Master Custodian), reported that the stock market rally that began late in the first quarter carried forcefully into April and May but then abated somewhat in June. Oil prices remain high and have crimped spending by consumers. Housing remains flat and subprime lending keeps getting worse. The economy is actually performing relatively well, as employment continues to grow and industrial output con-

tinues to expand. The S&P 500 had a total return of 6.28% for the quarter ending June 30, 2007. To put that into perspective, the total return of the S&P 500 for all of 2004 was 4.92%. International stock markets also performed well during the second quarter.

Bond prices saw a decline. The yield on the 10-year Treasury note rose sharply during May and early June and retreated slightly by quarter-end. The total return of the Lehman Brothers Aggregate Bond Index was -0.52% during the second quarter and 6.12% for the 12 months ending June 30.

Real Estate Investment Trusts (REITS) finally retrenched after an extraordinary run. However, the index had an annualized total return of 21.15% during the last 3 years and 18.62% during the last 5 years.

September ended as a strong month and so far it's been a strong year for both the stock market and bond market and the City of Orlando.

*Sincerely,*

*Rebecca W. Sutton*

Chairman and Chief Financial Officer



***NEW SMALL CAP GROWTH INVESTMENT MANAGER***

After short-listing candidates and conducting interviews, we have hired Northpointe Capital, LLC as our small cap growth manager. Their offices are out of Troy, Michigan. Northpointe was the best performing candidate for the last five years and has just become an employee owned company. Their investment philosophy is to obtain quality growth companies with strong fundamentals through in-depth research.

***RECENT RETIREMENTS***

May

- Sam Sabb
- Carol Ann Permar
- Barbara Kay McCann
- Kimberly Collins
- Harold Prince

July

- Thomas Witt
- Richard Pitz

August

- Dan Taylor

September

- Stephanie Ellis
- Barbara Brewer

- Ruth Velazquez
- Ken Steigerwald

June

- Frances Bourgeois
- Douglas Thompson

Doris Breazel

- Franciso Rodriguez
- Ruth Strausberg

October

- John Brannigan
- Dennis Scott
- Joanne Murray-Nauman
- Cathy Duzsa
- Mary Ann Schwabe

***WHAT INVESTMENTS ARE IN THE PENSION PLAN'S PORTFOLIO?***

Investment Managers-Bonds

- ICC Capital
- Payden & Rygel

Trust Company of the West (Mortgage Backed Securities)

Investment Managers -Stocks

- Advisory Research (mid-cap value)
- Alliance Bernstein (international value manager)
- Duff & Phelps (real estate investment trusts)
- Grantham, Mayo Van Otterloo & Co. (Global)
- Northpointe Capital (small cap growth)
- Rhumblin Advisers (index)
- Wellington Management Company (large cap value)
- Wells Capital Management (large cap growth)

***IS IT TIME TO SAVE MORE FOR YOUR RETIREMENT?***

With salary increases in place, it might be a great time to increase your deferred compensation (457) account.

Change Forms are available on the Pension Website, or contact Sandy Trivison at 407-246-2832.

***PENSION INVESTING AND  
RETIREMENT  
FINANCIAL PLANNING  
EDUCATIONAL SEMINARS***

On Tuesday, November 6 and Wednesday, November 7, 2007, our new Financial Planning Manager with ICMA-RC, James Weight, CFP, will present the following Financial Planning Seminars:

1. **SOCIAL SECURITY PLANNING  
FOR PUBLIC SECTOR EMPLOYEES**

This seminar provides a brief history of social security and covers the basic rules/formulas that govern eligibility for benefits. In addition, we will explore the Windfall Elimination Provision and Government Pension Offset-exclusions for some public sector employees who will receive a pension from “work not covered” by Social Security.

2. **PLANNING FOR RETIREE  
HEALTHCARE**

Healthcare is the most commonly underestimated item in one’s retirement plan budget. As we get older and are living longer, it is expected that our health care costs will increase. Understanding Medicare benefits and limitations, long term care choices and prospect for future cost increases will help us plan for this critical retirement planning issue.



Seating is limited and might already be full. Contact Sandy Trivison at 407-246-2832 if interested in attending.

***ICMA TO SEND OUT A  
FINANCIAL WELLNESS  
SURVEY***

ICMA will be sending out a survey soon so they can tailor seminars to your requests and needs. Please fill it out and return it to them as soon as possible.

## **WHO REPRESENTS MY DEPARTMENT ON THE GENERAL EMPLOYEE'S PENSION ADVISORY COMMITTEE?**

**Lauri Brooks**, *CAO Designee*

**Les Conley**, *LIUNA Representative*

**Cheryl Cummings**, *Families Parks & Recreation Department*

**Pete Dempsey**, *SEIU Representative*

**Jon Dorman**, *Orlando Venues/Centroplex Department*

**Paulette Edwards**, *Housing Department*

**Susan Geller**, *SEIU Representative*

**Ben Gray**, *Transportation Planning*

**Liza Floyd Jacobs**, *Fire Department*

**David Rafanowicz**, *General Administration Department*

**Mike Rhodes**, *Economic Development*

**David Sloan**, *Public Works Department*

**Ricky Suggs**, *LIUNA Representative*

**Rebecca Sutton**, *Finance Department*  
*Police Department Representative Vacant*

*Suggestions for future issues or questions, contact:*

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## **WHAT IS ON THE GENERAL EMPLOYEES' PENSION WEBSITE:**

*[www.cityoforlando.net/Pension/Generalemployees.htm](http://www.cityoforlando.net/Pension/Generalemployees.htm)*



- **Minutes of Board Meetings**
- **Defined Benefit and Defined Contribution Pension Plans and Summary**
- **Past Newsletters**
- **Deferred Compensation (457) ICMA Forms**
- **401 (a) ICMA Form**
- **Comprehensive Annual Financial Report for the year ending 2006**
- **Retirement Plan Options**