

Chairperson R. Sutton called the Special Business Meeting of the City of Orlando Pension Advisory Committee to order on Wednesday, November 14, 2007, 2:15 p.m. in the veterans' conference room, 2nd floor, City Hall, 400 S. Orange Avenue, Orlando Florida. There was a quorum.

PAC Members Present

R. Sutton, Chairman
L. Brooks, Executive Offices
P. Dempsey, SEIU Representative
S. Geller, S.E.I.U. Representative
L. Floyd Jacobs, Fire Dept.
D. Rafanowicz, General Administration
R. Suggs, L.I.U.N.A. Representative
B. Gray, Transportation
M. Rhodes, Economic Development (arrived at 2:30 p.m.)

PAC Members Absent

P. Edwards, Housing
J. Dorman, Orlando Venues
Vacant, Police Department Representative
L. Conley, L.I.U.N.A. Representative
D. Sloan, Wastewater
C. Cummings, Families, Parks & Recreation

Others Present

D.R. Jones, Treasurer
C. McCullion, Assistant Treasurer
K. Laudeman, Financial Analyst
R. Burlon, Pension Coordinator
G. Kalson, Kalson & Associates (via conf. call)
J. DeRosa, Kalson & Associates (via conf. call)

ASSET ALLOCATION

G. Kalson and J. DeRosa reviewed the asset allocation recommendations. Discussion ensued.

A MOTION TO RECOMMEND TO CITY COUNCIL THAT THE FOLLOWING ALLOCATIONS BE MADE TO THE DEFINED BENEFIT PORTFOLIO: A) MAINTAIN A 70% EQUITY EXPOSURE; B) REDUCE PLAN ALLOCATION TO REITS FROM 6.7% TO 4.0%; C) REDUCE PLAN ALLOCATION TO SMALL-CAP GROWTH FROM 7.4% TO 5.0%, TAKING ASSETS FROM RHUMLINE SMALL CAP GROWTH INDEX FUND; D) INCREASE PLAN ALLOCATION TO MID-CAP GROWTH FROM 4.3% TO 8.0%; E) MAINTAIN 30.0% ALLOCATION TO FIXED INCOME; F) MOVE FROM THE CURRENT FIXED INCOME LINEUP OF TWO GOVERNMENT/CREDIT MANAGERS PLUS A MORTGAGE MANAGER TO A CORE FIXED INCOME PLATFORM AND HAVE STAFF WORK WITH KALSON AND ASSOCIATES FOR A SMOOTH TRANSITION OF ASSETS; was made by D. Rafanowicz and seconded by B. Gray; **MOTION CARRIED UNANIMOUSLY.**

D. Jones advised that at the present time there are 386 active employees in the Defined Benefit Plan and approximately 202 employees can transfer to the Defined Contribution Plan.

PENSION CONSULTANT

Chairperson R. Sutton advised that Kalson & Associates' contract is for three years with two one-year extensions. They are presently coming up on their last one-year extension and Chairperson Sutton suggested that we go out for an RFP sometime after January, 2008. It is not that we are unhappy with our Consultant but to see what companies and technology are out there.

Page Two Minutes
November 14, 2007

A MOTION TO RECOMMEND TO CITY COUNCIL THAT STAFF PREPARE AN RFP FOR A PENSION CONSULTANT/INVESTMENT ADVISOR AND BRING THE RFP TO PAC FOR REVIEW PRIOR TO SENDING IT OUT was made by D. Rafanowicz and seconded by B. Gray; **MOTION CARRIED UNANIMOUSLY**. Chairperson Sutton asked if any members wanted to work on the RFP with staff to contact K. Laudeman. B. Gray volunteered to be on that committee.

MINUTES

A MOTION TO APPROVE THE MINUTES OF NOVEMBER 7, 2007 was made by D. Rafanowicz and seconded by S. Geller; **MOTION CARRIED UNANIMOUSLY**.

GENERAL EMPLOYEES' PENSION BOARD NEWSLETTER

S. Geller mentioned that she really enjoyed the Pension Board Newsletter and appreciated the fact that it was written so everyone could understand what is going on with the Plan.

Meeting adjourned at 2:55 p.m.

Respectfully submitted,

Rebecca W. Sutton
Rebecca W. Sutton
Chairperson

Rochelle L. Burlon
Rochelle L. Burlon
Pension Coordinator