

Chris McCullion, Treasurer, called the Joint Quarterly Meeting of the City of Orlando Pension Advisory Committee, Police and Firefighters' Pension Boards to order at 8:20 a.m. on March 4, 2010, in the overlook conference room, 9<sup>th</sup> floor, City Hall, Orlando, Florida. There was a quorum for the Pension Advisory Committee, Firefighters and Police Pension Boards.

**PAC Members Present:**

Cheryl Cummings, Families Parks & Recreation (3/1)  
Les Conley, L.I.U.N.A. Representative (3/0)  
Todd Berube, S.E.I.U. Representative (3/1)  
Paulette Edwards, Housing, Community Development (3/0)  
Susan Geller, S.E.I.U. Representative, (3/1)  
Rick Howard, Public Works (absent 3/2)  
David Rafanowicz, Executive Offices (3/1)  
Ricky Suggs, L.I.U.N.A. Representative (3/0)  
Jay Carr, Police Department (3/0)  
Jon Dorman, Orlando Venues (3/1)  
Rebecca W. Sutton, Chair (absent 3/3)  
Liza Floyd Jacobs, Fire Department (3/1)  
Michael Rhodes, Economic Development ( 3/3)  
Ben Gray, Transportation (absent 3/2)

**Police Pension Board Trustees:**

Jay Smith, Chairman  
Vince Montgomery, Secretary  
Rebecca W. Sutton, Vice-Chair (absent)  
Randolph T. Thames, Trustee  
Tony Blanca, Trustee

**Firefighters' Pension Board Trustees**

Ronald Glass, Chairman  
Vacant, Vice-Chair  
Mike Droege, Secretary  
Rebecca W. Sutton, Trustee (absent)  
Mario A. Garcia, Trustee

**Others Present**

Christopher P. McCullion, Treasurer  
Katrina Laudeman, Treasury Manager  
Kevin Leonard, NEPC  
Kevin Kondry, NEPC

**1. OVERVIEW OF QUARTER-MANAGER PERFORMANCE REVIEW**

Kevin M. Kondry, Investment Consultant from NEPC, gave an update on all investments for the quarter ending December 31, 2009 as well as up to February 28, 2010. He advised that 2000-2009 has had the worst investment history of the S&P 500. The stock market rally that began in March continued through the fourth quarter of 2009. The S&P 500 rose 6.0% during this quarter. Overall the pattern shows a moderate economic recovery that reflects the persistent weakness in employment and the lingering problems in the housing industry. During the quarter, all sectors in the S&P 500, except financials, had positive returns. During the last year, information technology was by far the best performing sector, while telecommunications service was the only sector with a single digit increase. Large cap stocks outperformed mid and small cap stocks. For the full year, mid caps outperformed large and small cap stocks by a substantial margin. The lowest quality stocks rated by the S&P posted the best performance during 2009, in what is known as a junk market rally. Treasury yields were relatively volatile during the fourth quarter.

The General Employees' Plan returned +3.7% outperforming the TUCS Public Fund Median return of +3.4%. This placed the fund in the 35<sup>th</sup> percentile for the quarter. The Police and Firefighters' Plans returned +3.6% and +3.4% respectively, vs. +3.4% for the TUCS Public Fund Median. The plans ranked in the 40<sup>th</sup> and 49<sup>th</sup> percentiles, respectively.

C. McCullion advised that Thornburg Investment Management has been fully funded as of March 1, 2010.

2. **UPDATE ON ALL MANAGER SEARCHES**

Kevin Leonard reviewed the Pension Plans "WORK FLOW PLAN" for the next quarter. He advised that we should be able to schedule the Core Real Estate Manager presentations by next month. The SMID Cap Growth and Value Manager Searches will be discussed at the next joint meeting.

3. **CORE PLUS FIXED INCOME MANAGER PRESENTATIONS**

Tom Goodrum and Dan Niland gave a forty-five minute presentation from Blackrock. They were followed by Chuck Koeniger and Kathleen Gaffney of Loomis Sayles & Company. Rob Morena and James Clarke from Pacific Investment Management Co and Stephen Moorhead and Thomas J. Coleman from Wellington Management also made presentations.

4. **DISCUSSION ON PRESENTATIONS**

Discussion ensued regarding all four manager presentations, their performance, fees, etc.

**POLICE PENSION BOARD**

**A MOTION TO HIRE LOOMIS SAYLES & COMPANY AS THE CORE PLUS FIXED INCOME MANAGER, AND TRANSITION THE ASSETS FROM TCW TO THEM** was made by J. Smith and seconded by V. Montgomery; **MOTION CARRIED UNANIMOUSLY.**

**FIREFIGHTERS' PENSION BOARD**

**A MOTION TO HIRE LOOMIS SAYLES & COMPANY AS THE CORE PLUS FIXED INCOME MANAGER, AND TRANSITION THE ASSETS FROM TCW TO THEM** was made by M. Droege and seconded by M. Garcia; **MOTION CARRIED UNANIMOUSLY.**

**PENSION ADVISORY COMMITTEE**

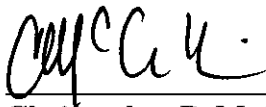
**A MOTION TO HIRE LOOMIS SAYLES & COMPANY AS THE CORE PLUS FIXED INCOME MANAGER, AND TRANSITION THE ASSETS FROM TCW TO THEM** was made by J. Dorman and seconded by P. Edwards; **MOTION CARRIED UNANIMOUSLY.**

**5. APPROVAL OF MINUTES**

**A MOTION TO APPROVE THE MINUTES OF FEBRUARY 10, 2010** was made by M. Rhodes and seconded by J. Dorman; **MOTION CARRIED UNANIMOUSLY.**

**Meeting adjourned at 2:20 p.m.**

**Respectfully submitted,**



**Christopher P. McCullion**  
**Treasurer**



**Rochelle (Shelly) L. Burlon**  
**Pension Coordinator**