

Rebecca Sutton called the Special Business Meeting of the City of Orlando Pension Advisory Committee, Police and Firefighters' Pension Boards to order at 8:36 a.m. on April 8, 2010, in the overlook conference room, 9th 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 (4/1)
Les Conley, L.I.U.N.A. Representative (4/0)
Todd Berube, S.E.I.U. Representative (4/1)
Paulette Edwards, Housing, Community Development (4/0)
Susan Geller, S.E.I.U. Representative, (4/1)
Rick Howard, Public Works (4/2)
David Rafanowicz, Executive Offices (4/1)
Ricky Suggs, L.I.U.N.A. Representative (4/1) (absent)
Jay Carr, Police Department (4/0)
Jon Dorman, Orlando Venues (4/2) (absent)
Rebecca W. Sutton, Chair (4/3)
Liza Floyd Jacobs, Fire Department (4/1)
Michael Rhodes, Economic Development (4/3)
Gustavo Castro, Transportation (1/0)

Police Pension Board Trustees:

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

Firefighters' Pension Board Trustees

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

Others Present

Christopher P. McCullion, Treasurer
Katrina Laudeman, Treasury Manager
Kevin Leonard, NEPC
Claire Woolston, NEPC
Rochelle (Shelly) L. Burlon, Pension Coordinator

1 CORE REAL ESTATE MANAGER PRESENTATIONS

a. JP MORGAN STRATEGIC PROPERTY FUND

Jeffrey A. Fox, Anne S. Pfeiffer and J.D. Sitton reviewed their product. Since inception on January 1, 1998 their annualized return is 7.8%. They have had strong performance with a lower risk profile with a diversified portfolio of dominant, high-quality assets with a solid current income yield. The fund investment listing is office, retail, industrial and residential properties throughout the United States. They use the ODCE Benchmark and the NPI Index. Their portfolio leverage is 25%-30% of the total portfolio and is presently at 35.4%. This is a commingled fund with contributions accepted on a monthly basis. Withdrawals may occur once per quarter subject to available cash with 45 days prior written notice. They feel the private core real estate debt market is getting back on track, spreads are down and loan activity has picked up. Commercial property pricing is stabilizing, elevated risk premiums persist and should reward investors as prices and operating fundamentals recover.

b. UBS TRUMBULL PROPERTY FUND

Maria Bascetta and William T. Hughes presented their product to the groups. Their fund has a 6.54% annualized ten year return and their properties are 92% leased. They are well diversified with a 19.1% leverage of gross asset value. Mortgage debt generally not to exceed 20% of gross asset value short term debt generally not to exceed 15% of gross asset value. Their benchmark is

ODCE. They have 166 investments with \$8.3 billion in gross assets. Their fund is a core, open-end, direct US real estate fund. Value added exposure approximately 5%. They have quarterly liquidity (subject to available capital). Minimum investment of \$1M. Their property type and geographic spread is primarily in apartments, hotels, industrial, retail and offices...

c. **INTERCONTINENTAL U.S. REAL ESTATE FUND**

Peter Palandjian and Devin C. Sullivan presented their product which is a private equity real estate investment that is an open ended commingled investment vehicle. Portfolio leverage target of 50% with liquidity redemption available on a quarterly basis. As of December 31, 2009 their leverage is at 73.2%; leverage after selected loan paydowns of 69.3%. Hotels, apartments as well as their senior assisted living properties are not CORE real estate.

2. **DISCUSSION**

Claire Woolston advised that her team at NEPC has thoroughly reviewed all three firms. Discussion ensued.

POLICE PENSION BOARD

A MOTION TO HIRE J.P. MORGAN AS THE CORE REAL ESTATE MANAGER was made by R. Sutton and seconded by R. Thames; J. Smith and V. Montgomery opposed; **MOTION TIED. MOTION TABLED UNTIL NEXT MEETING.**

FIREFIGHTERS' PENSION BOARD

A MOTION TO HIRE J.P. MORGAN AS THE CORE REAL ESTATE MANAGER AND TO DIVIDE THE PLAN'S REAL ESTATE ALLOCATION INTO 70% CORE AND 30% VALUE ADDED was made by M. Droege and seconded by R. Sutton; **MOTION CARRIED UNANIMOUSLY.**

PENSION ADVISORY COMMITTEE

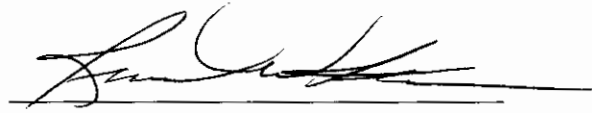
A MOTION TO RECOMMEND TO CITY COUNCIL TO HIRE J.P. MORGAN AS THE CORE REAL ESTATE MANAGER AND TO DIVIDE THE PLAN'S REAL ESTATE ALLOCATION INTO 70% CORE AND 30% VALUE ADDED was made by P. Edwards and seconded by D. Rafanowicz; S. Geller opposed; **MOTION CARRIED.**

3. **APPROVAL OF MINUTES**

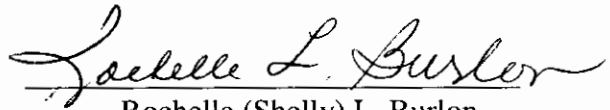
A MOTION TO APPROVE THE MINUTES OF MARCH 4 AND MARCH 12, 2010 was made by M. Rhodes and seconded by C. Cummings; **MOTION CARRIED UNANIMOUSLY.**

Meeting adjourned at 12:10 p.m.

Respectfully submitted,



Rebecca W. Sutton
Chairman



Rochelle (Shelly) L. Burlon
Pension Coordinator