

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 June 3, 2010, in the overlook conference room, 9<sup>th</sup> floor, City Hall, Orlando, Florida. There was a quorum for the Pension Advisory Committee and Firefighters' Pension Board.

**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 (absent 4/2)  
Paulette Edwards, Housing, Community Development (4/0) arrived at 9:10 am  
Susan Geller, S.E.I.U. Representative, (absent 4/2)  
Rick Howard, Public Works (4/2) left at 9:45 a.m.  
David Rafanowicz, Executive Offices (4/1)  
R.icky Suggs, L.I.U.N.A. Representative (4/0)  
Jay Carr, Police Department (4/0)  
Jon Dorman, Orlando Venues (absent 4/2)  
Rebecca W. Sutton, Chair (absent 4/4)  
Liza Floyd Jacobs, Fire Department (4/1)  
Michael Rhodes, Economic Development (4/3)  
Gus Castro, Transportation (2/0)

**Police Pension Board Trustees:**

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

**Firefighters' Pension Board Trustees**

Ronald Glass, Chairman (absent)  
Shannon Raybon, Trustee  
Mike Droege, Secretary, arrived at 9:00 a.m.  
Rebecca W. Sutton, Trustee (absent)  
Mario A. Garcia, Trustee, arrived at 9:10 a.m.

**Others Present**

Christopher P. McCullion, Treasurer  
Katrina Laudeman, Treasury Manager  
Kevin Leonard, NEPC  
Kevin Kondry, NEPC  
Bill Claxton, BNY Mellon  
Jim Nevola, BNY Mellon  
Ken Temple, BNY Mellon Convergenx  
John Delaney, BNY Mellon Convergenx

## 1. OVERVIEW OF QUARTER-MANAGER PERFORMANCE REVIEW

Kevin M. Kondry, Investment Consultant from NEPC, gave an update on all investments for the first quarter ending March 31, 2010. The total return of the S&P 500 was 5.4% during the first quarter and 49.8% during the past 12 months. Intermediate and long-term interest rates declined early in the quarter as inflation remained under control despite the large federal budget deficits. Total returns for industrials, financials and consumer discretionary stocks were in the low teens. Relatively defensive stocks, such as telecommunications services and utilities had negative returns. Uncertainty surrounding the post 2010 dividend tax rate had a negative effect on high dividend-paying stocks. Several regional banks, which were among the worst performing stocks in the S&P 500 during the fourth quarter, were among the best performing stocks during the first quarter. Emerging markets returned 2.4% for the first quarter. International markets were less robust than domestic as the US dollar rallied amid concerns over Greece and periphery Europe. Credit markets have continued to excel, and now trade near pre-crisis levels. While the Euro has depreciated relative to the USD and Greek spreads continue to widen, a potential Greek sovereign default appears to have minimal impact on overall market pricing.

The General Employees' Plan returned +3.5% in the first quarter slightly outperforming the TUCS Public Fund Median return of +3.4%. This placed the fund in the 44<sup>th</sup> percentile for the quarter. The Police and Firefighters' Plans each returned 3.7% during the 1<sup>st</sup> quarter vs. +3.4% for the TUCS Public Fund Median. The plans ranked in the 34<sup>th</sup> and 38<sup>th</sup> percentiles, respectively.

Kevin Leonard talked about changing the current benchmark from EAFE to ACWI-US and it was agreed to start using that benchmark by the September meeting.

## **2 UPDATE ON MANAGER SEARCHES**

Kevin Leonard reviewed the completed manager searches of international equity with the hiring of Thornburg and the hiring of J.P. Morgan as the private core real estate manager. The remaining searches that have already been approved are SMID growth and value, value added private real estate and hedge fund of funds.

By the end of the month NEPC will complete the value added private real estate manager search and will furnish members with their results for consideration and presentations. If any PAC members or trustees have any firms that they would like to interview please advise Chris McCullion as soon as possible. Interviews will probably not be scheduled until July or August.

## **3 STATUS OF INVESTMENT MANAGER CONTRACTS**

Chris McCullion gave an update on the Loomis Sayles and J.P. Morgan contracts. TCW assets will be sold to fund Loomis Sayles.

## **4 TRANSITION MANAGEMENT**

Ken Temple and John Delaney of BNY Mellon Convergenx gave a presentation on transition management. Discussion ensued and questions were asked by the committee members and trustees. M. Droege requested their references and a list of public fund clients they represent in Florida.

## **5 APPROVAL OF MINUTES**

**A MOTION TO APPROVE THE MINUTES OF APRIL 8 AND APRIL 15, 2010** was made by D. Rafanowicz and seconded by Cheryl Cummings; **MOTION CARRIED UNANIMOUSLY.**

## **6 ACTUARIAL SERVICES RFP**

Chris McCullion advised that the General Employees Pension Fund needs to have an Actuarial RFP conducted. The actuarial services RFP will be for the pension fund, the City for various valuations and for the OPEB Trust. While we are very happy with Gabriel Roeder Smith, it has been six years since an RFP was done. Gabriel Roeder Smith will be asked to participate again. C. McCullion asked for volunteers to be on the Advisory Committee for the RFP.

Minutes of Quarterly Pension Meeting

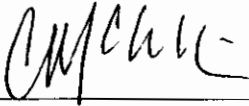
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Cheryl Cummings and David Rafanowicz volunteered. All PAC members will be advised of all meetings and can attend, but only Ms. Cummings and Mr. Rafanowicz will be voting members of the advisory committee, along with other City staff representing the Office of Business & Financial Services and the Human Resources Division.

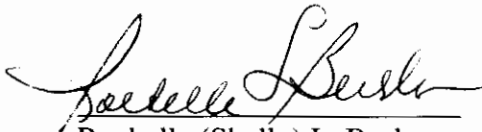
Meeting adjourned at 10:45 a.m.

Respectfully submitted,



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Christopher P. McCullion  
Treasurer



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Rochelle (Shelly) L. Burlon  
Pension Coordinator