Winter Park Police Officers' Pension Board Regular Meeting

Agenda

May 5, 2022 @ 4:00 pm

Public Safety Facility
Ray Beary Community Room
500 N. Virginia Ave.

welcome

Agendas and all backup material supporting each agenda item are accessible via the city's website at cityofwinterpark.org/bpm and include virtual meeting instructions.

assistance & appeals

Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's Office (407-599-3277) at least 48 hours in advance of the meeting.

"If a person decides to appeal any decision made by the Board with respect to any matter considered at this hearing, a record of the proceedings is needed to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." (F.S. 286.0105).

please note

Times are projected and subject to change.

agenda	time

1. **Call to Order**
   a. Election of Chairman and Vice Chairman/ Secretary — 5 Minutes

2. **Consent Agenda**
   a. Quarterly Meeting Minutes for 3 February 2022, Special Meeting 3 February 2022, Special Meeting 18 February 2022, & Quarterly Billing. — 5 Minutes

3. **Public Comments (for items not on the agenda): Three minutes allowed for each speaker**

4. **Public Hearings**

5. **Action Items**

6. **Non-Action Items**

7. **Staff Updates**
   a. Performance Monitor- Burgess Chambers (BCA) — 10 Minutes
   b. Actuarial Report- Shelly Jones (GRS) — 20 Minutes
      A. Declaration of Return
   c. Pension Administrator Report- Jeffrey Templeton — 5 Minutes
      A. Confirmation of Receipt of Benefits have been received from retirees.
      B. The State will be mailing out Form Ones if you do not receive it you can go to the following website to retrieve the form: http://ethics.state.fl.us/Documents/Forms/Form%201_2019i.pdf?cp=2020429

8. **Board Comments**

9. **Upcoming Agenda Items**

10. **Adjournment**

Winter Park Police Officers' Pension Trust Plan

Quarterly Meeting

February 3, 2022 at 4:00 PM

Members:

Lt. Kevin Roesner, Chairman

Russell Allen, Trustee

William Deuchler, Trustee

Tony Grey, Trustee

Attendees:

Pedro Herrera, Attorney via ZOOM
Burgess Chambers, BCA
Wes Hamill, Director of Finance

Jeff Templeton, Administrator

Bryan Templeton, Assistant Administrator

Call to Order:

Chairman, Kevin Roesner, called the meeting to order at 4:02pm.

Approval:

A motion was made by Russell Allen and seconded by Tony Grey to approve the minutes of the quarterly meeting dated November 4, 2021 and the quarterly billing for October-November-December 2021. All were in favor.

Public Comment- none

Pedro Herrera, Attorney

The Pre-retirement death benefit ordinance has been given to the City and will be voted on in the April Meeting with the commissioners'.

House Bill 117, is for disability plan both Police and Fire officers' that can no long work due to Covid 19.

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

For the quarter, the Plan earned $2.8 million or +4.0% (+4.0% net), achieving the strategic model (+4.0%), and ranked in the top 34th percentile. The best three performing asset categories were: large-cap core (+11.0%), large-cap value (+9.1%), and private real estate (+8.2%).

• For the one-year period, the Plan earned $8.0 million or +12.8% (+12.5% net), ahead of the strategic model return of +11.4% and ranked in the top 30th percentile. The out-performance was due in large part to having an over-weight to equities and corresponding under-weight to bonds for much of the year. The best three performing asset categories were: large-cap core (+28.8%), large-cap value (+24.0%), and mid-cap core (+22.8%).

• For the three-year period, the Fund earned $26.6 million, averaging +16.6% (+16.2% net) per year – outperforming the strategic model (+14.5%), and ranked in top 28th percentile.

• For the five-year period, the Fund earned $30.4 million, averaging +11.5% (+11.1% net) per year, ranking in the top 32nd percentile.

• For the ten-year period, the Plan averaged +9.9% (+9.6% net) per year, ranking in the top 35th percentile.

• Westwood's large-cap value product was ahead of the benchmark for the quarter (+9.1% vs. +7.8%, top 31st). The product's three, five and 10-year results were ahead of the benchmark.

• Advent's convertible bond product was behind the benchmark for the quarter (+0.2% vs. +1.2%) but was ahead for the one-year period (+7.4% vs. +7.3%, top 42nd). The SPDR convertible index product was behind Advent for the quarter (-1.6% vs. +0.2%) and one-year period (+2.6% vs. +7.4%).

• Cohen & Steers Global Infrastructure earned +7.9% for the quarter, ahead of the benchmark (+7.7%) and ranked in the top 35th percentile. Results were ahead of the benchmark for the 12-month period (+16.8% vs. +15.7%, top 31st). Three-year performance averaged +12.7% net per year.

• American Funds Euro-Pacific underperformed the benchmark for the quarter (-1.0% vs. +2.7%), but out-performed for the three, five and 10-year periods.

• ARA American Realty and Barings private real estate's combined results were ahead of the benchmark for the quarter (+8.2% vs. +8.0%) and behind for the one-year period (+20.9% vs. +22.2%). The 12-month return was well ahead of expectations, as supply and labor disruptions drove replacement costs higher. The Fund enrolled back into in American Core Realty and Baring's dividend reinvestment programs.

Jeff Templeton

A motion was made by William Deuchler and second by Tony Gray to approve the Administrative Expense Budget for WPPD pension fund from 10-1-2020 to 9-30-2021.

All were in favor

Old Business:

None

New Business:

None

Adjournment:

Chairman, Kevin Roesner, adjourned the meeting 4:51 pm.

Respectfully Submitted,

Lt K. R #122

Scott Williams, Vice Chairman/Secretary

WPPD Quarterly Billing January-February-March 2022

Jeffrey Templeton	1/1/22	$1,970.18
GRS	1/7/22	$5,578.00
Sugarman,Susskind, B	1/25/22	$765.00
Jeffrey Templeton	2/1/22	$1,970.18
BCA	2/9/22	$9,016.81
Jeffrey Templeton	3/1/22	$1,970.18
Sugarman,Susskind, B	3/29/22	$1,445.00

TOTAL $22,715.35

Lt K. [signature] #122 05/05/2022

Winter Park Police Officers' Pension Trust

Winter Park Firefighter's Pension Trust Fund

Special Meeting

February 3, 2022 at 5:00 PM

Members:	Attendees:
Lt. Kevin Roesner, Chairman	Perdo Herrera, Attorney via ZOOM
Russell Allen, Trustee	Burgess Chambers, BCA
William Deuchler, Trustee	Wes Hamill, Director of Finance
Tony Grey, Trustee	Jeff Templeton, Administator
Lt. John Bonnel, Vice-Chairman	Bryan Templeton, Assistant Administrator
Lt. Stuart Merrick, Chairman	
Tony Gray, Trustee	
Mike Clifford, Trustee	
Wayne Kalish, Trustee	

Special Attendees:

Steve Hagenbuckle, Terra Cap	Amy Lester, Westwood
Albert Livingston, Terra Cap	Grant Tabor, Westwood
Jamie Lane, Terra Cap	Mike Lucci, Bloomfield Cap
Nick Vician, Terra Cap	Jason Jarjosa, Bloomfield Cap
Mark Hardee, Terra Cap	

Terra Capital:

Terra Cap Management, LLC considers thematic factors such as business formation, employment growth and population growth on a market-by market basis, as most metros and submarkets have different economic based industries and therefore move through their economic cycles differently. The Investment Manager makes moderate strategic overweighting or underweighting to markets, depending on the specific economic drivers influencing supply and demand. The Investment Manager intends to invest the Fund's assets so that no economic industry base will be allowed to dominate any property or the portfolio's performance. * Target Equity Raise: $400 Million Target Returns: 14% Net IRR Fund Opened: 10/1/2020 Total Capital Raised as of 1/27/2021 = $515 Million

Bloomfield Capital:

Founded in 2008, Bloomfield Capital's Income Funds have focused on delivering consistent risk-adjusted returns and quarterly cash flows to conservative investors seeking higher yields. Bloomfield's strategy focuses on identifying elusive, equity rich small balance credit opportunities that are often overlooked or unseen by less competitive environment.

Westwood:

WPPD

Account Flows

Flow Type	YTD	2020	2019	2018	Inception
Beginning Market Value	$ 6,686,303.63	$ 6,181,570.08	$ 5,203,853.91	$ 5,531,400.56	$ 2,896,327.00
Net Contributions Less Withdrawals	-874,711.87	179,133.97	-436,712.80	-44,052.16	-2,207,977.10
Net Investment Change	1,549,979.85	325,599.58	1,414,428.97	-283,494.49	6,673,221.71
Ending Market Value	$ 7,361,571.61	$ 6,686,303.63	$ 6,181,570.08	$ 5,203,853.91	$ 7,361,571.61
Account	23.94%	3.89%	28.44%	- 5.17%	10.65%

WPFD

Account Flows					
Flow Type	**YTD**	**2020**	**2019**	**2018**	**Inception**
Beginning Market Value	$ 6,743,478.64	$ 6,322,194.74	$ 5,395,730.81	$ 6,035,850.36	$ 2,744,046.00
Net Contributions Less Withdrawals	-1,050,005.72	113,457.14	-529,032.27	-346,794.62	-2,122,847.93
Net Investment Change	1,553,172.24	307,826.76	1,455,496.20	-293,324.93	6,625,447.09
Ending Market Value	$ 7,246,645.16	$ 6,743,478.64	$ 6,322,194.74	$ 5,395,730.81	$ 7,246,645.16
Account	23.93%	3.94%	28.37%	- 5.18%	10.05%

Both Pension Board Chairman's thanked each group for their presentation and closed the special meeting.

Respectfully Submitted,

Lt. John Bonner, Vice-Chairman/Secretary

Respectfully Submitted,

Lt K. [signature] #122

Lt. Scott Williams, Vice Chairman/Secretary

Winter Park Police Officers' Pension Trust Plan

Special Meeting

February 18, 2022 at 3:00 PM

Members:

Lt. Kevin Roesner, Chairman

Russell Allen, Trustee

William Deuchler, Trustee

Tony Grey, Trustee

Attendees:

Burgess Chambers, BCA

Frank Wan, BCA

Jeff Templeton, Administrator

Amanda Templeton

Call to Order:

Chairman, Kevin Roesner, called the meeting to order at 3:01pm.

No Public Comment

New Business

BURGESS CHAMBERS:

Burgess discusses the current vs proposed allocation, current allocation 66% risk on assets and 34% risk off Assets proposed allocation 70% on risk assets and 30% risk off assets. Burgess discussed the plans current summary 38% of the portfolio is invested with active mangers (6), 62% in passively managed funds as of December 31, 2021. February 2018 the board started to divest the allocation to MLP's to fund an allocation to Global Infrastructure with Cohen & Steers. In February 2020 the board started to move all BNYM index funds to the lower cost fidelity index fund. November 2021 the board approved adjusting the asset allocation by reducing core bonds, increasing equities, and adding alternatives. The plan earned 9.9% gross over the trailing 5-year period, 16.6% gross over the trailing 3- year period. The plans domestic equity portfolio tilted value in large cap (Westwood large cap value).

Burgess discusses the future of the board with the new proposed allocation, Winter Park Police new allocation would have historically yielded a higher annualized return (+10.93% vs. 10.33%) at the cost of increased volatility (Standard devotion: 9.70% vs 9.54%). New proposed allocation has a much-improved risk/reward profile vs. a broad-based benchmark of 70% Global Equites and 30% US Bonds (Alpha 1.30, Downside Capture ratio 89.37, upside capture ratio 105.26).

Burgess gives a review on Bloom Field Capital. Background, Bloomfield, founded in 2008, is an SEC-registered investment manager with 21 Employees headquartered in Birmingham, MI and Portland, ME, with investment marketing outposts in NY, Denver and LA. BC manages $491 million (AUM) across five co-mingled, discretionary funds backed by 52 institutional investor LPs, of which 9 are public pension plans based in Florida.

Strategy: Bloomfield Capital's Income Funds have focused on delivering consistent risk-adjusted returns and quarterly cash flows to conservative investors seeking higher yields. Bloomfield's strategy focuses on identifying elusive, equity- rich small balance credit opportunities that are often overlooked or unseen by larger managers, providing Bloomfield the ability to seek high yields in a generally less competitive environment. BC is a lender that focuses on originating smaller balance loans predominately on commercial real estate and in times of market distortion acquire credit opportunities BC earns strong gross returns of 9%-13% by targeting smaller less competitive loan sizes of $2 million to $30 million throughout the United States. The loan investments often involve time-compression or some complexity related to capital structure issues, partnership buyouts, transitional real estate, etc.

Risk Mitigation Bloomfield mitigates risk in a handful of important ways:

1. Asset-class Diversification - lending on different asset classes of commercial real estate which is important as variousproperty types cycle at different times (i.e. industrial and multifamily properties are in favor, while retail and office properties languish).

2. Geographically – historically Bloomfield has made loans in over 40 states as cyclical downturns sometimes affect certain regions more than others.

3. Short Duration: average historical loan duration of 20.5 months, which further shelters from market cycles that can affectreal estate ownership.

4. Top of the capital stack: 90% of Bloomfield investments are buffered from the '1st dollar of risk' since they are in super senior positions against the underlying collateral. The Loans are generally at a 65% to 75% loan-to-value; thus the underlying collateral properties have some room to drop in value before impacting investment principal.

Origination and Loan Servicing

• Selective – due to BC's reputation and the extensive experience of its principals, it is connected to over 20,000 professionalswho send BC over 250 loan opportunities every month, while only closing 10-40 loans annually, less than 1% of all opportunities.

• BC boasts an experienced in-house servicing team who intensively manage, monitor and service each portfolio loan to ensure performance and to expediently pursue remedies when appropriate.

o Out of over 164 originated loans, BC has only foreclosed on 7 properties, or 4.3%. And 85% of the foreclosures haveresulted in profitable resolutions.

• BC is a control investor, which means that portfolio and investment decisions are made solely for the benefit of BC's investors

Performance

Bloomfield has invested over $1 billion in capital across 194 different investments with an average investment size of $6.3 million. BC funds have returned between 6.7% - 10.5% net of all fees and paid majority of the return in current cash on a quarterly basis. BC has generated returns without the use of fund level leverage, which significantly mitigates risk in the portfolio. Bloomfield institutional funds II, III, and V have all distributed cash quarterly preferred return profits to investors every quarter during each Fund's active investment period (prior to winddown).

A motion was made by Tony Grey to hire Bloomfield capital for funding of 2 million dollars. No second.

The board continued to discuss about Bloomfield capital. They will continue the discussion about the potential of hiring Bloomfield capital at another meeting.

Burgess gave an overview of Terrace. 8 years from the Final Closing Date, subject to two 1-year extensions. 1.5% on Committed Capital until completion of the Investment Period; thereafter 1.5% on Invested Capital. 100% return on invested capital (including the 1.5% management fee), 8% compounded preferred return, 50/50 catch up thereafter, 80/20 split. Target markets, geographically diversified throughout the U.S. – _Growth Only Markets. Secondary Cities benefitting from corporate relocations, in-migration, and now COVID TARGET ACQUISITION PRICES, Between $30 and $100 million DIVERSIFIED PROPERTY TYPES Multifamily, Flex/Industrial/Warehouse, Office. Leverage, TerraCap's historic leverage is less than 60%, non-recourse loans only, No cross collateralization. TerraCap seeks the best built and best located remaining vacancy in high demand markets. Invests defensively in high-demand Secondary growth markets only. Resulting in the ability to increase lease rates and rental rates and ultimately NOI for value creation. Avoids investing in overpriced Primary Gateway Core markets. Avoids new construction risk in a rising cost environment. Focuses on minimizing the J-curve and producing investor cashflow. ○ 7-year average – _1 distribution every 2.5 months.

A motion was made by Kevin Roesner and seconded by William Deulcher to hire TerraCap for funding of 3.5 million following Pedro's review of the fund. All were in favor.

FRANK WAN:

Gave a background and overview of cryptocurrency focusing on Bit Coin and Blog Chain.

The board discussed cryptocurrency as to how it could benefit the fund to invest. The board said they will continue the discussion of cryptocurrency at a later meeting. Burgess suggested they bring in cryptocurrency experts to talk to the board.

A motion was made by Kevin Roesner and seconded by Scott Williams to adopt the revised Investment Policy Statement, as recommended by Burgess Chambers and Associates, changing the target allocations for equity and fixed income portfolios, and adding Value Add Real Estate as an asset code.

Adjournment:

Chairman, Kevin Roesner, adjourned the meeting 5:08 pm.

Respectfully Submitted,

Lt K. [signature] #122

Scott Williams, Vice Chairman/Secretary