

Winter Park Police Officers' Pension Trust Plan

Quarterly Meeting

November 2, 2023 at 4:00 PM

Members:

Lt. Kevin Roesner, Chairman

Capt. Scott Williams, Vice-Chairman

William Deuchler, Trustee

Tony Grey, Trustee

Russell Allen, Trustee

Attendees:

Burgess Chambers, BCA

Pedro Herrera, Attorney

Shauna Morris, Attorney

Randy Knight, City Manager

Renee Cranis, City Clerk

Wes Hamil, Director of Finance

Jeff Templeton, Administrator

Bryan Templeton, Assistant Administrator

Amanda Templeton

Shelly Jones, GRS, via zoom

Call to Order:

Chairman, Kevin Roesner, called the meeting to order at 6:14.

Approval:

A motion was made by Russell Allen and seconded by Tony Grey to approve the minutes of the quarterly meeting dated August 24, 2023, and the quarterly billing for July-August-September 2023. *All were in favor.*

Public Comment- None

A motion was made by Lt. Kevin Roesner and seconded by Tony Grey to send the city any Documents that are part of the meeting package that will be discussed at the next quarterly pension meeting as it has been, a week prior to the meeting. *All were in favor.*

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

For the quarter, the Plan was down \$2.5 million or -3.7% (-3.8% net), behind the strategic model (-3.2%). The top three performing asset categories were: Terra-Cap real estate (+2.4%), Constitution Ironsides private credit (+2.4%), and cash (+1.3%).

For the one-year period, the Plan was up \$5.2 million or +9.2% (+8.8% net). The best three performing asset categories were: large cap core (+21.6%), international (+20.2%), and mid cap core (+13.5%).

For the five-year period, the Plan earned \$14.0 million, averaging +5.3% (+4.9% net) per year, ranking in the top 45th percentile.

For the ten-year period, the Plan averaged +6.4% (+6.0% net) per year and ranked in the 50th percentile.

In late August 2023 a new IPS was signed and in late September through early October 2023 the Plan was rebalanced to the new IPS targets, as follows: \$215K was raised from Fidelity Small Cap, \$750K from Advent, \$200K from Cohen & Steers, \$789K from SPDR Convertibles, \$1.3 million from Euro-Pacific international, and \$1.7 million from liquidating the iShares TIPS. The proceeds along with existing cash was used to purchase \$3.6 million of Fidelity 500, \$300K of

Fidelity Mid-Cap, and \$1.1 million of Fidelity US Bond. The high cash position on 9/30 reflects the pending rebalancing activity described above.

In May 2023, \$456,857.85 was raised from Westwood and wired to Constitution to fund the Ironsides Opportunities Fund II (private credit). In September 2023 Ironsides returned \$183K back to the Plan. This reflects a capital equalization, since the capital call was more than required. The remaining capital to be called is \$2.2 million. The original commitment is \$3 million.

Westwood's large-cap value product has outperformed its benchmark during the five and 10-year periods.

Advent's convertible bond product fell short of the benchmark for the quarter (-4.4% vs. -2.4%) and the one-year period (+7.0% vs. +8.1%). The SPDR convertible index product was ahead of Advent for the quarter (-2.5% vs. -4.4%) and for the one, four and five-year periods.

Cohen & Steers Global Infrastructure lost -9.0% during the quarter vs. the benchmark return of -7.8%. Results were behind the benchmark for the 12-month period (+0.6% vs. +1.4%). Three-year performance averaged +2.8% net per year and ranked in the top 50th percentile.

EuroPacific fell short of the benchmark for the quarter (-6.2% vs. -4.0%) but was in line with the benchmark for the five-year period and ahead for the 10-year period.

ARA American Realty's private real estate's results were similar to the benchmark for the quarter (-2.2% vs. -2.0%) and the 12-month period (-12.5% vs. -12.2%). This is due to commercial property write-downs caused by rising interest rates and falling commercial office occupancy. Therefore, the dividend reinvestment program was suspended for American Realty.

Barings Core Property real estate results were behind the benchmark for the quarter (-3.7% vs. -2.0%), and the 12-month period (-13.8% vs. -12.2%) – due to an aggressive writing down of property valuations. The dividend reinvestment program was also suspended for Barings.urgess Chambers, BCA,

A motion was made by Tony Grey and seconded by Lt. Kevin Roesner to approve BCA rebalancing plan in accordance with the new Investment Policy Statement to adjust Value-add Real Estate and Private Equity/Credit to 10%. *All were in favor.*

Actuarial Report:

Shelly Jones, GRS, gave an Experience Investigation Report:

The Board discussed the investment return assumption as part of an experience investigation covering the five-year period ending September 30, 2022 is to assist in assumption selection for future actuarial valuations by reviewing economic assumptions based on current economic environment and forecasts. Recommended changes in the economic actuarial assumptions resulting from this experience investigation include the following: Update investment return assumption to 7.25% (includes price inflation of 2.75%) to better reflect anticipated future investment experience. Deterministic Forecasts on the impact of the contribution based on 3 scenarios of a varying actual and assumed rates of return were reviewed by the Board.

After discussion, the Board decided to keep the investment return assumption at 7.50%.

Administrative Report:

Jeff Templeton, Pension Administrator, gave the Administrative Report:

Dates and times for the pension meetings in 2024

2-1-2024. at 6:00 pm

5-2-2024. at 6:00 pm

8-1-2024. at 6:00 pm

11-7-2024. at 6:00 pm

A letter has been sent to all vendors about compliance with House Bill 3.

Attorney, Report:

Pedro Herrera, Sugarman, Susskind, Braswell & Herrera, P.A., gave the Attorney Report:

Pedro introduced Shauna Morris, she will be working with Pedro on this account.

A motion was made by Lt. Kevin Roesner and seconded by Tony Grey authorizing the Plans third-party administrator to file the requisite Biennial Report of Decision-Making in Voting and Adherence to Fiduciary Standards. *All were in favor.*

A motion was made by Lt. Kevin Roesner and seconded by Tony Grey certifying compliance with Ch. 2023-28, Laws of Florida, and authorizing the filing of the Biennial Report of Decision-

Making in Voting and Adherence to Fiduciary Standards accordingly, subject to final legal approval. *All were in favor.*

New Business: None

Old Business: None

Adjournment:

Chairman, Kevin Roesner, adjourned the meeting 7:15 pm.

Respectfully Submitted,

Capt. Scott Williams, Vice Chairman/Secretary