



Winter Park Police Officers' Pension Board Regular Meeting

Agenda

August 1, 2024 @ 6:00 PM

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

welcome

Agendas and all backup material supporting each agenda item are accessible via the city's website at cityofwinterpark.org/meetings/ 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](tel: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.

1. Call to Order

2. Consent Agenda

- a. Approve Minutes from Quarterly Meeting 2 May 2024 and Quarterly Billing 5 Minutes

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

4. Public Hearings (Public participation and comment on these matters must be in person.)

5. Action Items

6. Non-Action Items

7. Staff Updates

- a. Performance Monitor - Burgess Chambers (BCA) 25 Minutes
- b. Administrative Report - Jeffrey Templeton 15 Minutes
 - 1. Form1
 - 2. Budget of Administrative Expenses for October 1, 2024 to September 30, 2025
- c. Attorney Report - Pedro Herrera 15 Minutes
 - 1. Share Plan Ordinance

8. Board Comments

9. Upcoming Agenda Items

10. Adjournment

Winter Park Police Officer's Pension Trust Fund

Quarterly Meeting

May 2, 2024, at 6:00 P.M.

Members:

Lt. Kevin Roesner, Chairman
Sgt. Pam Woehr, Vice Chairman/Secretary
Russell Allen, Trustee
Tony Grey, Trustee
William Deuchler, Trustee

Attendees:

Pedro Herrera, Attorney
Burgess Chambers, BCA
Wes Hamil, Director of Finance
Jeff Templeton, Administrator
Bryan Templeton, Administrative Assistant
Shelley Jones, GRS

Call to order:

Chairman, Lt. Kevin Roesner called the meeting to order at 6:07P.M.

Approval:

A motion was made by Lt. Kevin Roesner and seconded by William Deuchler to approve the minutes from February 1, 2024, and the quarterly billing for January-February-March 2024. *All were in favor.*

A motion was made by William Deuchler and seconded by Tony Grey to elect Lt. Kevin Roesner as Chairman and Sgt. Pam Woehr as Vice- Chairman/Secretary of the Police Officer's' Pension Board. *All were in favor.*

Public comment-None.

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

- For the quarter, the Plan earned \$3.7 million or +5.7% (+5.6% net), ahead of the strategic model (+5.5%) and ranked in the **top 13th percentile**. This was accomplished despite Westwood trailing its benchmark. The top three performing asset categories were:

Fidelity Large Cap (+10.6%), Fidelity Mid Cap (+8.6%), and Westwood Large Cap Value (+7.8%).

- For the Fiscal year-to-date period, the Plan earned \$7.8 million or +12.9% (+12.7% net). The best three performing asset categories were: Large Cap Core (+23.4%), Mid Cap Core (+22.6%), and Small Cap Core (+20.0%).
- For the one-year period, the Plan earned \$7.1 million or +11.8% (+11.4% net). The best three performing asset categories were: Large Cap Core (+29.8%), Mid Cap Core (+22.4%), and Small Cap Core (+19.7%).
- For the five-year period, the Plan earned \$21.8 million, averaging +7.8% (+7.5% net) per year.
- For the ten-year period, the Plan averaged +6.8% (+6.5% net) per year. It should be noted the Florida Retirement System's expected rate of return was reduced to +6.7% in 2023.
- Beginning in January 2023, capital calls were issued to fund the Ironsides Opportunities Fund II (private credit). Payments totaling \$837K have been paid through April 2024, while **\$2.2 million** of the original **\$3 million commitment remains to be called**.
- In November 2022, an **\$800K redemption** was requested from the American Core Realty Fund. Payments totaling \$221K have been received from through April 2024, and a balance of \$579K remains. Since July 2023 American Core has distributed \$55,701 in dividends after the DRIP was halted.
- In November 2022, an **\$800K redemption** was requested from the Barings Realty Fund. Payments totaling \$84K have been received through April 2024, and a balance of \$716K remains. Since October 2023 Barings has distributed \$38,442.53 in dividends after the DRIP was halted.

- 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 (+2.2% vs. +3.4%) and the one-year period (+10.5% vs. +12.8%) but ranked in the **top 29th percentile**.
- Cohen & Steers Global Infrastructure earned +3.0% during the quarter vs. the benchmark return of +1.8% and ranked in the **top 17th percentile**. Results were ahead of the benchmark for the 12-month period (+5.3% vs. +4.1%, **top 30th**). Three-year performance averaged +4.0% net per year and ranked in the **top 26th percentile**.
- Euro-Pacific beat the benchmark for the quarter (+7.6% vs. +5.9%, **top 14th**), While five-year performance trailed the benchmark, the ranking was high (**top 34th**). Ten-year results beat the benchmark and ranked in the **top 17th percentile**.
- ARA American Realty's private real estate's results were ahead of the benchmark for the quarter (-2.2% vs. -2.4%) and behind for the 12-month period (-12.1% vs. -11.3%). This is due to commercial property write-downs caused by rising interest rates and falling commercial office occupancy.
- Barings Core Property real estate results were ahead of the benchmark for the quarter (-0.8% vs. -2.4%), and behind for the 12-month period (-18.6% vs. -11.3%) – due to an aggressive write down of property valuations.

- TerraCap V experienced a -29.1% markdown in December 2023. The original investment was \$3.5 million. With property sales, the capital balance has been reduced by 9.7% net of notional interest to \$3,160,500. Four of the original properties acquired have been sold.

Actuarial Report:

Shelley Jones, GRS, gave the actuarial report:

The October 1, 2023 Actuarial Valuation determines the minimum required contribution for fiscal year ending September 30, 2025. The minimum required contribution for fiscal year ending September 30, 2025 is \$3,305,658 – 49.2% of covered annual payroll (non-DROP) projected for fiscal year ending September 30, 2025 based upon projected covered annual payroll (non-DROP) - \$6,716,901.

Member contributions will be 6.0% of covered payroll (non-DROP) for fiscal year ending September 30, 2025 - anticipated to be \$403,014. Anticipated allowable State contributions will be 5.9% of covered payroll (non-DROP) for fiscal year ending September 30, 2025 (\$398,621) leaving a City requirement of \$2,504,023 – 37.3% of covered payroll (non-DROP) for fiscal year ending September 30, 2025. If total State contributions are less than \$528,654, the City will be required to make up the shortfall. Allowable State contributions are based upon the dollar amount (\$268,589) under Subsection 2 of Ordinance Section 74-205.

There are 76 active members and 91 inactive members (including DROPS) as of October 1, 2023. The net smoothed value of assets as of October 1, 2023 is \$67,735,403. The net market value of assets as of October 1, 2023 is \$62,424,321. Smoothed value net investment return was 4.26% (less than the assumed rate of 7.50%) - market value net investment return was 8.70% for fiscal year ended September 30, 2023. Total System expenses (investment and administrative) were 60 basis points of the mean invested market value of assets during fiscal year ended September 30, 2023. The System experienced an actuarial loss of \$3,095,182 during fiscal year ended September 30, 2023. The main sources of the actuarial loss include investment return (smoothed value), salary and termination experience. The actuarial assumptions relating to salary increases, rates of withdrawal and rates of retirement are based upon an Experience Study for the five-years ended September 30, 2022. The mortality assumptions are the same as the Florida Retirement System (FRS) as required under F.S., Chapter 2015-157 based upon the July 1, 2023 FRS Actuarial Valuation. The October 1, 2023 Actuarial Valuation Report includes a discussion and metrics related to risks associated with measuring the actuarial accrued liability and actuarially determined contribution. A new calculation called a low-default-risk obligation measure (LDRM) was prepared and issued. The LDRM estimates the amount the plan would need to invest in low default risk securities.

Government Accounting Standards Board (GASB) Statements No. 67 and No. 68 actuarial information is included. GASB Statements No. 67 and No. 68 actuarial information must be trued-up as of September 30, 2024. Required valuation information will be uploaded to the State portal as required by the Department of Management Services. Additionally, within sixty days following Board approval of the Actuarial Valuation a Compliance Report as required under Chapter 112.664 will be completed. The completed Compliance report will be provided to the Board and uploaded to the State portal.

A motion was made by Lt. Kevin Roesner and seconded Tony Grey to approve the Actuarial Valuation of the Winter Park Police Officer's' retirement fund report by GRS as of October 1, 2023. *All were in favor.*

A motion was made by Lt. Kevin Roesner and seconded by William Deuchler on 2May 2024, The Board of Trustees of the City of Winter ParkPolice Offericer's Pension Plan, based on the advice of investment professionals and/or actuary, determined that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.5% net of the investment related expenses. This determination is made in accordance with section 112.661(9), Florida Statues. All were in favor.

Attorney Report:

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

All Form 1 for Board Members are due to the state by July 1, 2024, and provided documentation explaining how to file Form 1 electronically.

A motion was made by Lt. Kevin Roesner and seconded by Tony Grey stating, All "re-employed" retirees, as described in Sec. 74-230, shall be deemed to be immediately vested in their respective Share Plan Accounts in the same manner as they are immediately vested in their pension benefits accrued during the subsequent reemployment period and for the Attorney to due a proposed ordinance to clear up the previous ordinance. All were in favor.

Administrative Report:

Jeffrey Templeton, Pension Administrator, gave the Administrative Report:

None

New Business:

None

Old Business:

None

Adjournment:

Chairman, Lt. Kevin Roesner adjourned the meeting at 7:51 P.M.

Respectfully Submitted,

Sgt. Pam Woehr Vice Chairman/Secretary

WPPD Pension Quarterly Billing April May June 2024

Administration	4/1/24	\$2,090.17
GRS	4/5/24	\$9,834.00
SSBH	4/18/24	\$575.00
Advent	4/29/24	\$4,334.56
Administration	5/1/24	\$2,090.17
Administration	6/1/24	\$2,090.17
BCA	6/12/24	\$9,115.63
SSBH	6/12/24	\$1,433.36
TOTAL		\$31,563.06



June 18, 2024

Mr. Jeff Templeton
Retirement Plan Administrator
Winter Park Police Officers' Retirement System
9154 Lake Burkett Drive
Orlando, Florida 32817

Dear Jeff:

As requested, please find enclosed a draft budget for administrative services under the City of Winter Park Police Officers' Retirement System for fiscal year ending September 30, 2025 for your review.

Please note the draft fee and administrative amounts reflect the fees and administrative amounts paid during fiscal year ended September 30, 2023 with projection and margin.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosure

City of Winter Park Police Officers' Retirement System
Budget of Administrative Expenses
October 1, 2024 - September 30, 2025

Professional Services

Actuarial	\$	68,500
Administration		31,000
Custodian		33,000
Investment Consulting		41,000
Legal		22,000
Miscellaneous		4,500
		<hr/>
Total Professional Services	\$	200,000

Other Expenses

Dues and Subscriptions	\$	1,000
Travel and Education		4,500
Miscellaneous		1,500
		<hr/>
Total Other Expenses	\$	7,000

Total Annual Budget **\$ 207,000**



July 11, 2024

Mr. Jeff Templeton
Retirement Plan Administrator
Winter Park Police Officers' Retirement System
9154 Lake Burkett Drive
Orlando, Florida 32817

Re: Proposed Ordinance No. XXX

Dear Jeff:

As requested, we have performed an actuarial review of the attached proposed Ordinance under the Winter Park Police Officers' Retirement System.

Based upon our review, the proposed Ordinance:

1. Amends Section 74-230 to clarify immediate vesting in the Share Plan for re-employed retirees
2. Provides for codification
3. Repeals all Ordinances or parts of Ordinances in conflict herewith
4. Provides for severability
5. Provides for an effective date

In our opinion, based upon the actuarial assumptions and methods employed in the October 1, 2023 Actuarial Valuation, the proposed Ordinance is a *no cost* Ordinance under State minimum funding requirements.

Please forward a copy of the Ordinance upon passage at second reading to update our records.

We are available to respond to any questions concerning the above.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads 'Jennifer Borregard'. The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosure

cc: Pedro Herrera, Esq.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AMENDING CHAPTER 74, PERSONNEL, ARTICLE V, RETIREMENT AND PENSION PLANS, DIVISION 4, POLICE OFFICERS, OF THE CODE OF ORDINANCES OF THE CITY OF WINTER PARK; AMENDING SECTION 74-230, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 185 SHARE ACCOUNTS, PROVIDING FOR IMMEDIATE VESTING IN SHARE PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY OF WINTER PARK, FLORIDA, AS FOLLOWS:

SECTION 1: That Chapter 74, Personnel, Article V, Retirement and Pension Plans, Division 4, Police Officers, of the Code of Ordinances of the City of Winter Park, is hereby amended by amending Section 74-230, Supplemental benefit component for special benefits; chapter 185 share accounts, by amending subsection 3.A.(4) to read as follows:

Sec. 74-230. - Supplemental benefit component for special benefits; chapter 185 share accounts.

3. *Allocation of Monies to Share Accounts.*

A. *Allocation of Chapter 185 Contributions.*

- (4) Re-employed Retirees shall be deemed new employees and shall receive an allocation based solely on the Credited Service in the reemployment period. Notwithstanding, any Retiree who is retired pursuant to this System and who is reemployed as a Police Officer and, by virtue of that reemployment, is eligible to participate in this System, shall upon being reemployed be deemed to be fully vested in the Share Plan.

Ordinance No. _____

SECTION 2: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Winter Park.

SECTION 3: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 4: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 5: This Ordinance shall become effective upon passage; however, the provisions of this Ordinance that are specified to take effect as of a date certain shall take effect as of the date specified herein.

ADOPTED at a regular meeting of the City Commission of the City of Winter Park, Florida, held at City Hall, Winter Park, Florida, on the ____ day of _____, 2024.

By: _____
Mayor Phil Anderson

ATTEST:

Rene Cranis, City Clerk

Ordinance No. _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AMENDING CHAPTER 74, PERSONNEL, ARTICLE V, RETIREMENT AND PENSION PLANS, DIVISION 4, POLICE OFFICERS, OF THE CODE OF ORDINANCES OF THE CITY OF WINTER PARK; AMENDING SECTION 74-230, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 185 SHARE ACCOUNTS, PROVIDING FOR IMMEDIATE VESTING IN SHARE PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY OF WINTER PARK, FLORIDA, AS FOLLOWS:

SECTION 1: That Chapter 74, Personnel, Article V, Retirement and Pension Plans, Division 4, Police Officers, of the Code of Ordinances of the City of Winter Park, is hereby amended by amending Section 74-230, Supplemental benefit component for special benefits; chapter 185 share accounts, by amending subsection 3.A.(4) to read as follows:

Sec. 74-230. - Supplemental benefit component for special benefits; chapter 185 share accounts.

3. *Allocation of Monies to Share Accounts.*

A. *Allocation of Chapter 185 Contributions.*

- (4) Re-employed Retirees shall be deemed new employees and shall receive an allocation based solely on the Credited Service in the reemployment period. Notwithstanding, any Retiree who is retired pursuant to this System and who is reemployed as a Police Officer and, by virtue of that reemployment, is eligible to participate in this System, shall upon being reemployed be deemed to be fully vested in the Share Plan.

Ordinance No. _____

SECTION 2: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Winter Park.

SECTION 3: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 4: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 5: This Ordinance shall become effective upon passage; however, the provisions of this Ordinance that are specified to take effect as of a date certain shall take effect as of the date specified herein.

ADOPTED at a regular meeting of the City Commission of the City of Winter Park, Florida, held at City Hall, Winter Park, Florida, on the ____ day of _____, 2024.

By: _____
Mayor Phil Anderson

ATTEST:

Rene Cranis, City Clerk

Ordinance No. _____