



Mr. McCullion called the Joint Quarterly Performance Meeting of the City of Orlando Pension Advisory Committee, Police and Firefighters' Pension Boards to order at 8:27 a.m. on Thursday, December 4, 2014, in the Harvard Conference Room, 9th floor, City Hall, Orlando. There were quorums representing all boards.

PAC Members

Rebecca W. Sutton, Chairman (Absent)
Todd Berube, S.E.I.U. Representative
Steve Brown, L.I.U.N.A. Representative
Jay Carr, Police Department
Gustavo Castro, Economic Development
Gerald Poke, L.I.U.N.A. Representative (Absent)
David Rafanowicz, Executive Offices (8:46 a.m.)
Charles Ramdatt, Public Works
Michael Rhodes, Economic Development (Absent)
Rick Suggs, S.E.I.U. Representative (Absent)
Tamara Wilson, Fire Department

Police Pension Board Trustees

William C. Long, Chairman
Jay L. Smith, Vice-Chairman
Jose Vicente, Secretary
Tony Blanca, Trustee (Absent)
Laurie Botts, Trustee

Firefighters' Pension Board Trustees

Ronald A. Glass, Chairman (8:55 a.m.)
Kevin Edmonds, Trustee
Mario A. Garcia, Trustee (Absent)
Edward Torres, Trustee
Douglas Zabin, Secretary

Others Present

Christopher P. McCullion, Treasurer & Executive
Director Fire & Police Pension Boards
Katrina Laudeman, Treasury Manager &
Deputy Director Fire & Police Pension Boards
Kevin Leonard (8:38 a.m.) & Keith Stronkowsky, NEPC
Jim Nevola, Bank of New York Mellon
Amy Iennaco, Chief Assistant City Attorney
Dionna Little, Assistant City Attorney
Earle Sanborn, Retired Police Officer
Michele Keane, Pension Coordinator

1. PUBLIC COMMENT

Mr. McCullion asked if there was anyone from the public who wished to speak on an agenda item. There was no response.

2. MARKET UPDATE – Keith Stronkowsky, NEPC

Mr. Stronkowsky gave an update on the market overview for the third quarter of 2014. Volatility in the foreign market escalated as the US dollar surged. The Federal Reserve wound down its bond purchases (QE3) and oil prices fell significantly.

3. **PERFORMANCE UPDATE** – Keith Stronkowski, NEPC

Mr. Stronkowski stated the General Employees' Pension Plan in the fiscal year to date returned 9.0% and returned a negative 0.8% in the third quarter. The plan has outperformed for the one-year period at 9.0%.

The Firefighters' and the Police Pension Funds both returned 9.3% in the fiscal year to date and a negative 0.6% for the third quarter. The Firefighters' and Police Pension Funds both outperformed for the one-year period, at 9.3%.

4. **SMID Value Manager Search** – Kevin Leonard, NEPC

Mr. Leonard explained the vetting process used by the research team at NEPC to narrow the choices of potential replacements for Lord Abbett that will also complement William Blair, the SMID Growth Manager for the Boards.

A MOTION WAS MADE BY THE GENERAL EMPLOYEES' PENSION BOARD TO INTERVIEW DIAMOND HILL, WELLINGTON AND TS&W AS POTENTIAL SMID VALUE MANAGERS by Mr. Ramdatt and seconded by Mr. Rafanowicz. **MOTION CARRIED UNANIMOUSLY.**

A MOTION WAS MADE BY THE POLICE PENSION BOARD TO INTERVIEW DIAMOND HILL, WELLINGTON AND TS&W AS POTENTIAL SMID VALUE MANAGERS by Vice-Chairman Smith and seconded by Ms. Botts. **MOTION CARRIED UNANIMOUSLY.**

A MOTION WAS MADE BY THE FIREFIGHTERS' PENSION BOARD TO INTERVIEW DIAMOND HILL, WELLINGTON AND TS&W AS POTENTIAL SMID VALUE MANAGERS by Mr. Edmonds and seconded by Mr. Zabin. **MOTION CARRIED UNANIMOUSLY.**

The interviews will be scheduled for mid to late January 2015.

5. **GENERAL EMPLOYEES' PENSION ADVISORY COMMITTEE – APPROVAL OF MINUTES – SEPTEMBER 4, 2014 AND SEPTEMBER 26, 2014**

A MOTION TO ACCEPT THE MINUTES FROM SEPTEMBER 4, 2014 AND SEPTEMBER 26, 2014 was made by Mr. Rafanowicz and seconded by Mr. Ramdatt. **MOTION CARRIED UNANIMOUSLY.**

6. **MEETING ADJOURNED FOR THE PENSION ADVISORY COMMITTEE** at 10:10 a.m. - A brief recess was taken.

Meeting reconvened at 10:25 a.m.

7. **DIRECT LENDING EDUCATION AND MANAGER SEARCH** – Kevin Leonard, NEPC

Mr. Stronkowski and Mr. Leonard educated the Board about the opportunities and advantages of the various types of direct lending. Mr. Stronkowski compared and contrasted Comvest Capital Advisors, LLC a Florida based company and Park Square Capital, LLC an international company based out of London, England.

A MOTION WAS MADE BY THE POLICE PENSION BOARD TO INTERVIEW PARK SQUARE CAPITAL, LLP AND COMVEST CAPITAL ADVISORS, LLC AS POTENTIAL DIRECT LENDING OPPORTUNITIES MANAGERS by Chairman Long and seconded by Vice-Chairman Smith. **MOTION CARRIED UNANIMOUSLY.**

A MOTION WAS MADE BY THE FIREFIGHTERS' PENSION BOARD TO INTERVIEW PARK SQUARE CAPITAL, LLP AND COMVEST CAPITAL ADVISORS, LLC AS POTENTIAL DIRECT LENDING OPPORTUNITIES MANAGERS was made by Mr. Zabin and seconded by Mr. Torres. **MOTION CARRIED UNANIMOUSLY.**

After a brief discussion, it was decided to schedule both the SMID Value Managers interviews and the Direct Lending Opportunity Managers interviews on the same day in January, 2015. The SMID Value Managers interviews will be scheduled for the morning and the Direct Lending Opportunities Managers after lunch.

NEPC will conduct a private equity discussion and provide a recommendation before the trustees decide how much to commit and how to fund these allocations.

Mr. McCullion updated the trustees about Artisan's side letter that is nearing completion.

Mr. Nevola, Bank of New York Mellon, spoke briefly.

8. **MEETING ADJOURNED** at 11:20 a.m.

Respectfully submitted,

Christopher P. McCullion

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Treasurer

Michele Keane

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Pension Coordinator