



Ms. Laudeman called the Joint Quarterly Performance Meeting of the General Employees' Pension Advisory Committee, Police and Firefighters' Pension Boards to order at 8:22 am on Thursday, December 3, 2015, in the Harvard Conference Room, 9th floor, City Hall, Orlando.

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 (8:35)
Gustavo Castro, Economic Development (Absent)
Gerald Poke, L.I.U.N.A. Representative (Absent)
David Rafanowicz, Executive Offices
Charles Ramdatt, Public Works (Absent)
Michael Rhodes, Economic Development (8:25)
Rick Suggs, S.E.I.U. Representative (Absent)
Tamara Wilson, Fire Department

Police Pension Board Members

William Long, Chairman
Jay Smith, Vice-Chair
Jose Vicente, Secretary
Antonio Blanca, Trustee (Absent)
Laurie Botts, Trustee (Absent)

Others Present

Katrina Laudeman, Treasurer and
Executive Director Fire & Police Pension
Boards
Christopher McCullion, Deputy CFO (8:35)
Matt Dickey, Treasury Manager
Kevin Leonard, NEPC
Keith Stronkowski, NEPC
Brad Armstrong, GRS
David Kausch, GRS
Michele V. Keane, Pension Coordinator

Firefighters' Pension Board Members

Ron Glass, Chairman (Absent)
Doug Zabin, Secretary
Edward Torres, Vice-Chair
Kevin Edmonds, Trustee (Absent)
Mario Garcia, Trustee (Absent)

1. PUBLIC COMMENT

Ms. Laudeman asked if there was anyone who wished to speak on an agenda item. There was no response.

2. MARKET UPDATE

Ms. Laudeman turned the meeting over to Mr. Leonard and Mr. Stronkowski of NEPC. Mr. Stronkowski gave an update on the market overview for the quarter ending September 30, 2015, and spoke about the continued global volatility that is tied to China, Japan and Europe. The Federal Government continues to hint it may be raising the interest rates as the dollar continues to strengthen.

3. **PERFORMANCE UPDATE**

Mr. Leonard reviewed the performance of our money managers. The General Employees' Pension Fund returned -5.2% for the third quarter and -1.0% for the fiscal year-to-date. The one year return is -1.0% versus the policy index of 0.2% and the five year return is 7.7%, outperforming the policy index of 7.4%. There are no concerns with any of the money managers at this time.

The Firefighters' Pension Fund returned -4.3% for the third quarter and the Police Pension Fund returned -4.4%. Fiscal year-to-date the Firefighters' and Police Pension Funds returned 0.1% and -0.2% respectively. Mr. Leonard does not see any need to rebalance the portfolios at this time.

Mr. Leonard reviewed the October Flash Reports and stated the month was a complete reversal from the previous quarter's returns with emerging markets performing well.

Meeting adjourned for the Police and Firefighters' Pension Boards at 9:20 am and a brief recess was taken.

Ms. Laudeman called the meeting back to order at 9:31am and introduced Gabriel Roeder Smith & Company.

4. **PRESENTATION OF FIVE-YEAR EXPERIENCE STUDY**

Mr. Brad Armstrong and Mr. David Kausch of Gabriel Roeder Smith & Company (GRS) presented the Five-Year Experience Study for the period of October 1, 2009 through September 30, 2014. Mr. Armstrong stated there are two types of assumptions: economic and demographic.

Demographic assumptions are expectations of future experiences and include pay increase rates, retirement experiences, rates of withdrawal, disability rates, death-in-service mortality rates and retired life mortality.

The economic assumptions include long-term rates of investment return and wage inflation. GRS recommends lowering the investment return from 8% to 7.5% and reducing the wage inflation from 4.00% to 3.75%. Some discussion followed.

A MOTION TO ACCEPT THE EXPERIENCE STUDY AS PRESENTED AND ADOPT THE RECOMMENDED CHANGES INCLUDING ADOPTING THE RP2000 MORTALITY TABLE, LOWERING THE RATE OF ASSUMPTION TO 7.5% AND WAGE INFLATION TO 3.75%, EXTENDING THE AMORTIZATION PERIOD TO EIGHT YEARS, was made by Mr. Rafanowicz and seconded by Mr. Brown; **MOTION CARRIED UNANIMOUSLY.**

5. **GENERAL EMPLOYEES' PENSION ADVISORY COMMITTEE - APPROVAL OF MINUTES-
SEPTEMBER 3, 2015**

**A MOTION TO APPROVE THE MINUTES FROM SEPTEMBER 3, 2015 WITH THE AMENDMENT
THAT MR. RHODES WAS IN ATTENDANCE**, was made by Mr. Carr and seconded by Mr.
Rafanowicz; **MOTION CARRIED UNANIMOUSLY.**

MEETING ADJOURNED FOR THE GENERAL EMPLOYEES' PENSION ADVISORY COMMITTEE AT
10:32 AM.

Respectfully submitted,

Katrina A. Laudeman

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Treasurer

Michele V. Keane

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Pension Coordinator