

A meeting of the Finance Committee was held on Friday, April 14, 2017, in the Agenda Conference room, 2<sup>nd</sup> floor of City Hall, 400 South Orange Avenue, Orlando, Florida, 32801. The meeting was called to order by Mayor Dyer at 9:06 AM, who determined there was a quorum. There was no public comment.

PRESENT:	Alvin (.A.C.) Cowans	[1/1]
	Mayor Buddy Dyer	[1/1]
	Tracey Stockwell	[1/1]
	Commissioner Robert Stuart	[1/1]

ABSENT:	Jack Cadden	[0/1]
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OTERS PRESENT:	Christopher P. McCullion, Chief Financial Officer
	Katrina A. Laudeman, Treasurer
	Michelle McCrimmon, Deputy CFO
	William Spinelli, Controller
	Matt Dickey, Treasury Manager
	Brent Wilder, Managing Director, Public Financial Management
	Steven Zucker, Esquire, Shutts & Bowen, Special Legal Counsel
	Kevin Leonard, NEPC, by telephone
	Ian Rutti, UCF Student

1. APPROVAL OF MINUTES – (Attachment “A”) – September 9, 2016

A MOTION TO APPROVE THE MINUTES OF THE SEPTEMBER 9, 2016 FINANCE COMMITTEE MEETING was made by Ms. Stockwell and seconded by Mr. Cowans. MOTION CARRIED UNANIMOUSLY.

2. INVESTMENTS

A. ACCEPTANCE OF THE QUARTERLY PERFORMANCE REPORTS – (Attachment “B”) – December 31, 2016

Ms. Laudeman updated the Committee with an overview of the City’s Operating Portfolio. A MOTION TO ACCEPT THE QUARTERLY PERFORMANCE REPORTS of December 31, 2016 was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

B. OPERATING PORTFOLIO COMPLIANCE REPORTS – (Attachment “C”) – December 31, 2016

The compliance reports were briefly discussed, no actions were necessary.

C. CLARKSTON SMID ACTIVE MANAGER – CASH EXCEPTION REQUEST – OPEB – (Attachment “D”)

Ms. Laudeman explained that Clarkston is requesting they be allowed to hold up to 30% cash at any time in the portfolio. This has been approved by the Investment Committee and it is the recommendation of the OPEB fund's investment consultant, NEPC, that this exception be granted to Clarkston.

A MOTION TO APPROVE THE REQUEST FROM CLARKSTON FOR AN EXCEPTION TO THE OPEB INVESTMENT POLICY THAT ALLOWS THEM TO HOLD UP TO 30% CASH IN THEIR PORTFOLIO was made by Commissioner Stuart and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

D. JPMORGAN REAL ESTATE MANAGER RECOMMENDATION – OPEB – (Attachment “E”)

Ms. Laudeman stated that NEPC has recommended the hiring of JPMorgan for the real estate asset allocation in the OPEB fund.

A MOTION TO RECOMMEND TO THE OPEB BOARD OF TRUSTEES THE APPROVAL OF HIRING JPMORGAN AS THE REAL ESTATE MANAGER FOR THE OPEB FUND was made by Mr. Cowans and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

E. PRIVATE EQUITY / PRIVATE DEBT PRESENTATION – OPEB – (Attachment “F”)

F. RECOMMENDED MANAGERS – PRIVATE EQUITY/PRIVATE DEBT – OPEB HARBOURVEST (PRIVATE EQUITY) /COMVEST (PRIVATE DEBT) – (Attachments “G” and “H”)

Ms. Laudeman turned the meeting over to Mr. Leonard, NEPC. Mr. Leonard explained the differences between private equity and private debt. He recommended hiring HarbourVest as the private equity manager and Comvest as the private debt manager, and allocating \$3 million dollars to each manager, for the OPEB fund. The Investment Committee has recommended the approval of these managers as well.

A MOTION TO RECOMMEND TO THE OPEB BOARD OF TRUSTEES THE APPROVAL OF HIRING HARBOURVEST AND COMVEST AS TWO NEW INVESTMENT MANAGERS, FOR PRIVATE EQUITY AND PRIVATE DEBT SECTORS RESPECTIVELY AND TO ALLOCATE \$3 MILLION TO EACH MANAGER was made by Commissioner Stuart and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

G. ANNUAL REVIEW – OPERATING PORTFOLIO INVESTMENT POLICY – (Attachment “I”)

Ms. Laudeman stated there are not any substantial changes to the Policy, just some clarifications of terminology. NEPC has reviewed the Policy.

A MOTION TO APPROVE THE ANNUAL REVIEW OF THE INVESTMENT POLICY AND FORWARD THE POLICY TO THE CITY COUNCIL FOR RATIFICATION was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

### 3. DEBT MANAGEMENT

#### A. ANNUAL REVIEW – DEBT MANAGEMENT POLICY – (Attachment “J”)

Mr. McCullion noted there is a revision to the goals and maximum limits as suggested by the City’s financial advisor, PFM.

A MOTION TO APPROVE THE DEBT MANAGEMENT POLICY AND FORWARD THE POLICY TO THE CITY COUNCIL FOR RATIFICATION was made by Mr. Cowans and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

#### B. ANNUAL REVIEW – INTEREST RATE RISK MANAGEMENT PRODUCTS (DERIVATIVES) POLICY – (Attachment “K”)

Mr. McCullion stated there are not any changes other than the removal of a comma.

A MOTION TO APPROVE THE ANNUAL REVIEW OF THE INTEREST RATE RISK MANAGEMENT PRODUCTS (DERIVATIVES) POLICY AND FORWARD THE POLICY TO THE CITY COUNCIL FOR RATIFICATION was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

#### C. UPDATE ON CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, 2017A

Mr. McCullion updated that the Committee about the Capital Improvement Refunding Revenue 2017A medium term note bond. PFM, the City’s financial advisor, assisted in soliciting bank loans, and the City accepted a bid from PNC Bank. This is for information only and no actions are needed.

#### D. UPDATE ON COUNTY’S RERUNDING OF THE CITY’S 2014A TDT BONDS

Mr. McCullion then updated the Committee regarding the City’s 2014 TDT Bonds. Orange County decided to pay off the City’s 2014 TDT Bond debt, and as a result, \$236 million of City debt has been paid off.

In addition, the City’s requirement in the Interlocal Agreement to hold a \$25 million reserve has been released. This is for information only and no actions are needed.

4. Mr. Cowans stated he will not be available for the August 4<sup>th</sup> meeting. An alternate date may be chosen at a later date.

### 5. ADJOURNMENT

Mayor Dyer adjourned the meeting at 9:55 AM.

Respectfully submitted,

*Katrina A. Laudeman*

Katrina A. Laudeman  
Treasurer

*Michele V. Keane*

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Pension Coordinator