

***City of Miami Springs Police and Firefighters'
Retirement System
Minutes of the Meeting Held
OCTOBER 17, 2012 – SPECIAL MEETING***

The special meeting of the Board of Trustees of the City of Miami Springs Police and Firefighters' Retirement System was called to order at 10:03AM by Chairman Peter Baan in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Peter Baan, Chair
Oscar Garcia, Secretary
Gene Duffy, Trustee
Jimmy Deal, Trustee
Jonathan Kahn, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Brendon Vavrica, Thistle Asset Consulting
Stan Moss, Polen Capital
Damon Ficklin, Polen Capital
Chris Greco, Sawgrass Asset Management
Marty LaPrade, Sawgrass Asset Management
Peter Albanese, Robeco
Bob Maurer, Robeco

INVESTMENT MANAGER PRESENTATIONS (LARGE CAP GROWTH)

• **Polen Capital Management – Presented By: Stand Moss & Damon Ficklin**

Mr. Moss introduced himself and Mr. Ficklin to the board and commented that they are both in their 10th year with the Firm, and they both also have ownership in the Firm as well. Mr. Moss updated the board on a recent loss to the Firm; the founder Mr. Polen recently passed away but there were no changes to the portfolio or the investment teams. Polen Capital has \$4.5B in assets and they never own more than 100 securities at one time. Also, Polen Capital is 100% employee owned and have a lot of clients based in Florida.

Mr. Moss explained that Polen's mission is to outperform the benchmarks and most other managers while taking less risk.

Mr. Ficklin reviewed the funds historic returns and stated that for the one year they are up 9.48%, and since inception they are up 14.18% which makes them number one in their peer group for large cap. Mr. Ficklin explained that Polen outperforms during up markets as well as down markets. He reviewed the investment process Polen uses and stated that they start their stock selection with 1000 different stocks. They continue to narrow them down the stock holdings by using their process, and once the process is completed then they will end up with just 20 stocks that will be placed in the portfolio. He continued to explain that by holding just 20 stocks in the portfolio compared to hundreds, it keeps their risk low. Mr. Ficklin then reported on the firms sell discipline and gave some examples as to why they would need to sell off a stock or company that is in the portfolio. They have a 5 step process they would have to abide by before they would sell off a stock. Polen Capital's annual turnover is less than 25% and their average holding period is about 4 years.

Lastly Mr. Moss reviewed some of the portfolio characteristics and commented that this portfolio is the same portfolio that the employees of Polen Capital are invested in as well. Also the fee for their services would be 60 basis points, which is a break from their standard fee of 75 basis points.

Mr. Moss then opened the floor up for questions. The Trustees asked more questions regarding Mr. Polen and his role in the firm leading up to his death. Mr. Moss stated that Mr. Polen was not involved in the day to day operations for quite sometime now and was out of the portfolio management for over 5 years now. Also he commented that Polen has taken in \$2M in assets since Mr. Polen's passing, and they have never lost a client either.

- **Sawgrass Asset Management – Presented By: Chris Greco & Marty LaPrade**

Mr. Greco introduced himself and Mr. LaPrade. He stated that Mr. LaPrade is the founder of the firm which is 100% employee owned. Sawgrass has \$3B in assets and they invested in 20 states. He reviewed the portfolio team members and stated that most of them have worked together for 15 plus years, which the most recently employee hired 15 years ago as well.

Mr. LaPrade explained to the board why their product would add value to their portfolio. This product provides the fund with equity growth exposure and their historical outperforms reflects that. He reviewed their investment process and explained that they want to find companies that have their earnings growth revised in a positive direction. Mr. LaPrade stated that they invest in companies that are strong and have high quality earnings and clean balance sheets. He reviewed the portfolios historic performance and returns. He explained that out of the last 7 up markets they have outperformed in 5 of them, and during the down periods Sawgrass did not go down as much as the markets did. Mr. LaPrade reported that that this product is less volatile then 90% of their peers and their turnover ranges from 50-80%. They keep between 40-50 stocks in their portfolio and their fee is 60 basis points on assets managed. Mr. LaPrade turned it over to the board for any questions.

- **Robeco – Presented By: Peter Albanese & Bob Maurer**

Mr. Maurer introduced themselves. He commented that he has been with the firm for 14 years. Robeco was founded in 1970 and they currently have \$25.1B in assets under management. The product that they are here to report on today has \$1B in assets. Mr. Maurer reviewed their client list and stated that they have a lot of exposure in the public funds sector.

Mr. Albanese explained that Robeco outperforms the benchmark 54% of the time during down markets, and outperforms for almost all time periods during the up markets. He reviewed the things that make their firm better then others such as their investment team, process, risk management, and results. Mr. Albanese continued to review their investment process and stated that they are sector neutral and are quantitative style manager. For the 2012 year to date they are ahead at 17.80% versus 16.80%, and since inception they are negative but ahead of the benchmark at -.33% versus -.55%. Last Mr. Albanese reported that their fee for this product is 50 basis points for a separate managed fund, but if they go into the commingled fund then the fee is only 45 basis points.

Board Discussion:

The board discussed and reviewed the presentations that they saw today. They also compared each firm's historical returns that were provided by the Plan's Consultant. Mr. Vavrica reminded the Trustees that they are looking for a manger to compliment ICC Capital and not to replace them completely. The Trustees commented that Polen Capital seems to be a very conservative investment manager, which would compliment ICC Capital since they are so volatile. They also discussed Sawgrass's presentation in which they also liked, and noted that they were uneasy with Reboco because their investments philosophy and style was completely different form the other managers.

Mr. Vavrica reminded the board that they are looking to take about 25% from ICC's domestic equity to fund another large cap manager.

MOTION: Mr. Deal made a motion to hire Polen Capital and to authorize the transfer of 25% of the from ICC Capital's domestic equity account to the new Polen Capital account.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 5-0.

The Trustees noted that they are still waiting for after the elections to make a decision as to whether or not they want to invest in International or not.

INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)

Mr. Vavrica wanted to review the Real Estate asset class with the board. He explained that this type of real estate is not residential, but rather commercial. Real estate adds diversification to the portfolio and income for the fund. Mr. Vavrica stated that dividends would be paid out from real estate and the plan would not reinvest it, but rather they would keep the quarterly disbursements which would help out the plans cash flow for benefit and account payable payments. He explained that real estate was very expensive in 2007, but since then it has gone down and now is a great time to buy in. If the board did consider too move into the real estate asset class then he would recommend allocating 10% to it from the ICC Capital's fixed income portfolio. Mr. Vavrica explained that the plan now has enough funds to start diversifying more of their portfolio, but they wouldn't want to diversify to another fixed income manager at this time because fixed income is having a hard time staying afloat right now. The Trustees agreed that it would be interesting to learn move about this asset class and instructed Mr. Vavrica to schedule a special meeting towards the end of November. The Trustees reviewed the different managers that were listed in Thistle's real estate manager search and commented that they would like to hear from the first 3 listed (Cornerstone, American Realty & Intercontinental).

OTHER BUSINESS

N/A

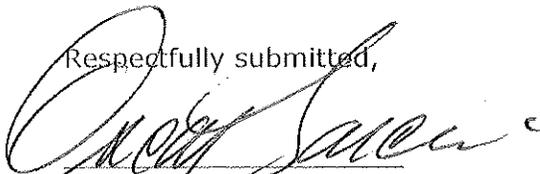
NEXT MEETING DATE

Thursday November 1, 2012 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 11:58 AM.

Respectfully submitted,



Oscar Garcia, Secretary