

City of Lake Mary Firefighters' Retirement System
Meeting of February 8, 2013

I. CALL TO ORDER

Chairman Gabe Vella called the meeting to order at 7:34 A.M. Those persons present included:

TRUSTEES

Gabe Vella, Chairman
Jeff Koltun
Karen Gudinas
Martin Bel
Shawn Anastasia

OTHERS

Dianne Holloway, City of Lake Mary Finance Director
Scott Christiansen, Christiansen & Dehner, PA
Audrey Ross, Pension Resource Center
Frank Wan, Burgess Chambers & Associates
Alan Ashworth, Eagle Asset Management

II. WELCOME NEW TRUSTEE – SHAWN ANASTASIA

The Trustees welcomed Mr. Anastasia to the board. Mr. Anastasia thanked the Board for the opportunity to serve and stated that he is an active Firefighter with the City of Lake Mary.

III. SELECTION OF SECRETARY

Mr. Vella explained that at the last meeting the board decided to table the selection of the secretary until there was a full board. Now that there are 5 Trustees Mr. Vella stated that he would like to now hold the selection of the secretary.

Karen Gudinas made a motion to nominate Shawn Anastasia as Secretary of the Lake Mary Firefighters' Pension board. Gabe Vella seconded the motion and passed by the Trustees 5-0.

IV. APPROVAL OF MINUTES

The Trustees reviewed the minutes from the regular meeting on November 9, 2012.

Jeff Koltun made a motion to approval of the minutes from the regular meeting of November 9, 2012 as amended. Gabe Vella seconded the motion and passed by the Trustees 5-0.

V. REPORTS

Alan Ashworth, Eagle Asset Management

Mr. Ashworth briefly updated the board on some recent firm changes. He stated that Eagle Assets hired a managing team out of Vermont and they are currently managing about \$1B in assets. Also Eagle bought into another Company in San Francisco, but he expressed that these changes mentioned do not have any impact on this Plan's portfolio.

Mr. Ashworth reviewed the equity side of the portfolio and commented that they were slightly behind for the quarter ending December 31, 2012 at 2.74% versus the benchmark at 3.10%. For the one year they are also lagging the benchmark at 14.92% versus 17.88%. Mr. Ashworth explained that during the quarter industrials lead and health care lagged and that combination slightly hurt their portfolio performance for the quarter.

The fixed income portfolio had a better quarter then equities as they were up .35% versus the index at .22%. For the one year they are also ahead of the index at 4.61%

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versus 4.23%. Mr. Ashworth reviewed the portfolios holdings and noted that the average bond holding is AA rated and the average duration is 6.96 years. He explained that rates are still low but eventually they will rise and that is when the Board will need to be concerned about inflation.

Frank Wan, Burgess Chambers and Associates (BCA)

Mr. Wan stated that it is the first quarter of the new fiscal year and all together they are off to a great start. The Plan had a net gain of \$146,068 during the quarter, which is a return of 1.5%. Mr. Wan reviewed the asset allocation and discussed the convertible securities that were recently purchased. He noted that SSI did underperform for the quarter ending December 31, 2012 and also the one year. Mr. Wan stated that SSI is on watch with BCA due to their underperformance and he will report back to the board next quarter. Real Estate and International did well during the quarter and Mr. Wan recommended that the board should rebalance the portfolio back to the policy because currently the portfolio is a little underweighted to International and Real Estate. Also he noted that 2/3 of the mutual funds underperformed during the quarter and it is just a hard time for active managers right now.

Gabe Vella made a motion to authorize the rebalance of the portfolio back to the target allocations outlined in the Plans Investment Policy Guidelines. Karen Gudinas seconded the motion and approved by the Trustees 5-0.

The Trustees discussed adding in an additional diversifier to the portfolio to reduce the risk of inflation. Mr. Wan commented that now is a good time to start discussing this subject because his Firm is also looking into other products at this time as well. He explained that they need to reduce the Beta exposure in the portfolio and to do that they will need to introduce new asset classes into the portfolio. Mr. Wan briefly reviewed some ideas that his firm will be looking into and stated that he will be bring back some diversification recommendations to the next meeting.

Scott Christiansen, Christiansen & Dehner

Mr. Christiansen confirmed that Mr. Koltun was reappointed as 5th Trustee with the City.

Mr. Christiansen noted that the Plan's Summary Plan Description needs to be updated as it is required to be updated every 3 years under the Florida State Statute.

Gabe Vella made a motion to authorize Mr. Christiansen to update the Summary Plan Description as required. Shawn Anastasia seconded the motion and approved by the Trustees 5-0.

Mr. Christiansen explained that he will be working with another Attorney (tax firm) to make some changes to the Plan regarding the new IRS requirements.

Karen Gudinas made a motion to authorize Mr. Christiansen to draft an IRS Ordinance to amend the Plan as required. Gabe Vella seconded the motion and approved by the Trustees 5-0.

Mr. Christiansen briefly reviewed some of the bills that are pending in the current Legislative session, although the Legislative session has not even officially started yet. He commented that he will update the board with any final bills that are passed at the next meeting.

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Audrey Ross, Pension Resource Center

IV. PLAN FINANCIALS

Disbursements

The Trustees then reviewed the Warrant dated February 8, 2013 for payment of invoices.

Gabe Vella made a motion to approve the Warrant dated February 8, 2013 for payment of invoices. Shawn Anastasia seconded the motion and approved by the Trustees 5-0.

Benefit Approvals

The Trustees reviewed the application for retirement for Ronal Russi.

Gabe Vella made a motion to approve the application for retirement for Ronald Russi. Karen Gudinas seconded the motion and approved by the Trustees 5-0.

Financial Statements

Ms. Ross provided an interim financial statement for the plan through December 2012. She noted that, as required by GASB, the financial statement reported the investments on a trade-date basis rather than settlement date for securities transactions in the portfolio.

The Trustees received and filed the interim financials statements through the month of December 2012.

V. NEW BUSINESS

N/A

Adjournment

There being no other business and the next meeting having previously been scheduled for Friday May 10, 2013 the meeting adjourned at 9:25AM.

Respectfully submitted,

Shawn Anastasia, Secretary