

City of Lake Mary Firefighters' Retirement System
Meeting of February 7, 2014

I. CALL TO ORDER

Secretary Shawn Anastasia called the meeting to order at 7:39 A.M. Those persons present included:

TRUSTEES

Shawn Anastasia, Secretary
Karen Gudinas
Martin Bel
Jeff Koltun

OTHERS

Dianne Holloway, City of Lake Mary Finance Director
Audrey Ross, Pension Resource Centers
Frank Wan, Burgess Chambers & Associates
Mary Howell, Eagle Asset Management

*The Trustees tabled the selection of the Chairman and the Secretary until the next meeting when all the Trustees are present.

II. APPROVAL OF MINUTES

The Trustees reviewed the minutes from the regular meeting on November 8, 2013.

Karen Gudinas made a motion to approval of the minutes from the regular meeting of November 8, 2013. Shawn Anastasia seconded the motion and passed by the Trustees 4-0.

III. REPORTS

Mary Howell, Eagle Assets Management

Ms. Howell welcomed herself back and introduced herself to the new Trustees. She briefly updated the board on the firm and noted that there are no changes to the portfolio or the portfolio team. Ms. Howell reviewed the performance of the SMID cap portfolio for the quarter ending December 31, 2013; the total Fund net of fees outperformed the index at 10.03% versus 8.66%. Although for the 1 year the Fund is slightly behind the index net of fees at 35.24% versus 36.80%. She reviewed the market environment during the quarter and stated that the higher quality stocks are starting to rebound, and industrials and materials were the leading sectors. Also since the quarter ended they have completely sold out of utilities and trimmed back in health care because they are having a difficult time finding bio-care stocks.

Ms. Howell reviewed the fixed income portfolio and stated that for the quarter the fund was negative and behind the index for the quarter at -0.47% versus -0.14%, and for the 1 year they are in the same situation at -2.65% versus the index at -2.02%. Ms. Howell stated that they are keeping the duration low and their average rating is aaa. She discussed the fixed income market and commented that her firm has been having recent discussions about changing their positions in fixed income, especially in the mortgages.

Frank Wan, Burgess Chambers and Associates (BCA)

Mr. Wan reviewed the market during 2013. He noted that overall the market did very well. This fund gained \$1.7M for the year and for the quarter ending December 31, 2013 they outperformed the index net of fees at 5.5% versus 5.4%. Although for the one year the fund is behind at 16.9% versus the index at 18%. Mr. Wan reviewed the compliance checklist and commented that there are a lot of "no's" checked off but that is mostly due to fixed income. He discussed the energy sector and oil specifically. He stated that

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Eagle does have some energy stocks in their portfolio, but he would like to see more because they only have 6% in that sector. Mr. Wan reviewed the risk versus reward chart and noted that the Plan is still taking less risk than the market place and that means they still have room to add more return. He briefly discussed each manager's performance for the quarter and commented that all the managers outperformed. Lastly he discussed the portfolio's current asset allocation with the board. Mr. Bel explained that he would feel comfortable with taking some more money out of the equities and moving it into cash because of the current market place (and then the board can use that cash to fund the future real estate). The Trustees discussed this transfer and Mr. Wan stated that he has no objections to it and that the fund would actually be back to its target policy by doing this.

Shawn Anastasia made a motion to authorize the transfer of 2.5% from the equities fund to the S&P 500 account to rebalance back to the target policy. Martin Bel seconded the motion and approved by the Trustees 4-0.

Audrey Ross, Pension Resource Center

N/A

IV. PLAN FINANCIALS

Disbursements

The Trustees then reviewed the Warrant dated February 7, 2014 for payment of invoices.

Jeff Koltun made a motion to approve the Warrant dated February 7, 2014 for payment of invoices. Shawn Anastasia seconded the motion and approved by the Trustees 4-0.

V. NEW BUSINESS

N/A

Adjournment

There being no other business and the next meeting having previously been scheduled for Friday May 9, 2014 the meeting adjourned at 8:35 AM.

Respectfully submitted,

Shawn Anastasia, Secretary