

City of Lake Mary Firefighters' Retirement System
Meeting of May 9, 2014

I. CALL TO ORDER

Chairman Gabe Vella called the meeting to order at 7:41 A.M. Those persons present included:

TRUSTEES

Gabe Vella, Chairman
(arrived 8:37AM)
Shawn Anastasia, Secretary
Martin Bel
Jeff Koltun

OTHERS

Scott Christiansen, Christiansen & Dehner, PA
Richelle Hayes, American Realty
Audrey Ross, Pension Resource Centers
Frank Wan, Burgess Chambers & Associates
Mitch Brennan, Burgess Chambers & Associates
Ed Rick, Eagle Asset Management

II. APPROVAL OF MINUTES

The Trustees reviewed the minutes from the regular meeting on February 7, 2014.

Gabe Vella made a motion to approval of the minutes from the regular meeting of February 7, 2014. Jeff Koltun seconded the motion and passed by the Trustees 3-0.

III. REPORTS

Ed Rick, Eagle Assets Management

Mr. Rick introduced himself to the Board and stated that he has taken over for Alan Ashworth as Mr. Ashworth is no longer with Eagle Assets. Mr. Rick briefly reviewed his background and stated that he has mostly worked in smid cap so fixed income is new to him, although he is just the client service representative for this Plan and not a portfolio manager (all the portfolio managers have remained the same). He also noted that one senior analyst was recently let go because of policy violations due to personal issues and had nothing to do with any of the firm's accounts. They will be replacing that analyst very soon.

Mr. Rick reviewed the Plan's SMID cap performance and market environment during the quarter ending March 31, 2014. He noted that utilities really hurt them because they did not perform well during the quarter and the Plan was over weighted in that sector. Mr. Rick also commented that the Plan is starting to roll off the beginning of 2009, which was not a good quarter so the portfolios 5 year numbers will look good then as well. For the quarter ending March 31, 2014 the fund outperformed the index net of fees at 2.99% versus 2.30%, but for the one year they are slightly behind the index net of fees at 23.62% versus 24.01%. He reviewed the top 10 and the bottom 10 holdings during the quarter as well as the current asset allocation. Currently they are overweight to health care and technology and a slight underweight to telecomm services.

Lastly Mr. Rick briefly reviewed the fixed income portfolio and noted that it is actually doing a letter better than they predicted because of the low interest rates. For the quarter ending March 31, 2014 the fund slightly outperformed the index net of fees at 1.86% versus 1.84%, but for the one year they are negative and behind the index at

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-0.74% versus -0.10%. He explained that they are currently keeping the duration low and the average rating is around Aa3.

Frank Wan & Mitch Brennan, Burgess Chambers and Associates (BCA)

Mr. Wan reviewed the market environment during the quarter. The total fund net of fees was slightly behind the index at 2.1% versus 2.5% and for the fiscal year to date the fund is in the same position at 7.8% versus the index at 8.2%. Mr. Wan reminded the board that last quarter they pulled money out of fixed income and put it into cash anticipating the next America Realty capital call, but American Realty never made a capital call on April 1, 2014 so the cash is still sitting on the sidelines waiting to be invested. He briefly reviewed each manager's return during the quarter and noted that they all did well despite the volatility in the market place. This Plan ranks in the top 21st percentile compared to their peers and Mr. Wan commented that the fund is improving seeing how conservative they still are. Overall Mr. Wan stated that the fund is doing great and that he does not have any recommendations at this time for rebalancing or any other changes.

Scott Christiansen, Christiansen & Dehner

Mr. Christiansen stated that at the last meeting the investment policy guidelines were signed and submitted to the Division of Retirement and he just needs a copy for his records. Also at the last meeting the board declared the annual rate of return for the short and long term and that letter was also sent off to the Division of Retirement along with a copy of the September 30, 2013 Actuarial Valuation Report.

Mr. Christiansen stated that the revised Regions Bank contract was here today to be executed reflecting the recent fee increase.

Mr. Christiansen reminded all the Trustee's that their annual form 1 disclosure forms are due July 1, 2014.

Mr. Christiansen briefly updated the Board as to what happened during this Legislative Session. Nothing actually passed this year that will affect defined benefit plans, but we will wait to see what happens next year.

Audrey Ross, Pension Resource Center

Ms. Ross stated that she has the 2013 Annual Report page to be signed by the Chairman and Secretary so that we can submit the report.

IV. PLAN FINANCIALS

Disbursements

The Trustees then reviewed the Warrant dated May 9, 2014 for payment of invoices.

Gabe Vella made a motion to approve the Warrant dated May 9, 2014 for payment of invoices. Martin Bel seconded the motion and approved by the Trustees 4-0.

Financial Statements

Ms. Ross provided an interim financial statement for the plan through March 2014. 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.

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The Trustees received and filed the interim financials statements through the month of March 2014.

V. NEW BUSINESS

Ms. Ross stated that since Mr. Anastasia was recently reelected as a Trustee, they must now reselect the officers.

Jeff Koltun made a motion to select Gabe Vella as Chairman and Shawn Anastasia as Secretary (both Mr. Vella & Mr. Anastasia accept the positions). Martin Bel seconded the motion and approved by the Trustees 4-0.

VI. PUBLIC COMMENTS

N/A

VII. AMERICAN REALTY PRESENTATION – RICHELLE HAYES

Ms. Hayes welcomed herself back and stated that the Board's first investment with American Realty was on February 1, 2013. She explained that American Realty has not called the Plan's entire investment at this time as there is currently an incoming queue which is currently at \$178M. Ms. Hayes commented that this Plan should have another capital call on July 1, 2014 and the remaining balance should all be called at that time for a total investment of \$750K. She briefly reviewed what American Realty focuses on when purchasing a property or a building. They hold a diversified portfolio but they never hold more than 5% ownership in any 1 building. The portfolios debt to total assets are only at 18.8%, which is on the low side compared to their peers and their occupancy rate is 90.9%. Ms. Hayes reviewed the Plan's performance for the quarter ending March 31, 2014 and stated they were up 2.94% versus the index at 2.30% net of fees and recently they have sold 7 properties and bought 6 new ones. Lastly she commented that overall Real Estate is doing great and they are predicting another double digit year for American Realty.

Adjournment

There being no other business and the next meeting having previously been scheduled for Friday August 8, 2014 the meeting adjourned at 9:43AM.

Respectfully submitted,

Shawn Anastasia, Secretary