

***City of Lake Mary Firefighters' Retirement System
Meeting of May 8, 2015***

I. CALL TO ORDER

Chairman Gabe Vella called the meeting to order at 7:38 A.M. Those persons present included:

TRUSTEES

Gabe Vella, Chairman
Karen Gudinas
Martin Bel (departed 8:29)
Jeff Koltun

OTHERS

Scott Christiansen, Christiansen & Dehner, PA
Dianne Holloway, City of Lake Mary Finance Director
Audrey Ross, Pension Resource Centers
Larry Cole Burgess Chambers & Associates
Ed Rick, Eagle Asset Management
Terrance Salsbury, Retired Lake Mary Firefighter

II. APPROVAL OF MINUTES

The Trustees reviewed the minutes from the regular meeting on February 13, 2015 meeting.

Karen Gudinas made a motion to approval of the minutes from the regular meeting of February 13, 2015. Jeff Koltun seconded the motion and passed by the Trustees 3-0.

III. REPORTS

Ed Rick, Eagle Assets Management

Mr. Rick stated that there have been no firm changes since the last time that they met. He reviewed the market environment during the quarter and noted that health care lead the performance followed by information technology. Utilities was the worst performing sector. Mr. Rick reported on the SMID cap fund and noted that for the quarter they were up net of fees at 6.11% versus the index at 5.17% and for the fiscal year to date they are also ahead of the index at 12.74% versus 10.07%. He briefly reviewed the contributors during the quarter as well as the detractors, and also the top 10 and the bottom 10 companies within the portfolio. Currently there is a slight overweight to health care and information technology and an underweight to energy and industrials, with no holdings in telecom services and utilities. Mr. Rick stated that it has been a tough market out there but he still feels like the US is the best performing market right now.

Mr. Rick briefly reviewed the fixed income portfolio and noted that there was no change to the interest rates during the quarter and there is still no safe place for money to be invested besides the Treasury's. For the quarter the fund was up 1.97% net of fees versus the index at 1.61% and they continue to keep the duration low at 5.45 years. He reviewed his market outlook on the fixed income side and he noted that he does not think that the interest rates will rise again in the near future, although he wishes they would because the portfolio is positioned for a rising interest rate environment.

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Larry Cole, Burgess Chambers and Associates (BCA)

Mr. Cole reviewed the Plan's performance for the quarter ending March 31, 2015. He noted that the total fund net of fees outperformed the index at 2.7% versus 2.3%, and for the fiscal year to date they are also up at 5.8% versus 5.4%. Mr. Cole briefly reviewed the Plan's compliance checklist and noted that we are in line with the policy. He discussed the Plan's current asset allocation and stated that he has a recommendation to increase the international allocation as their total target is 15%, but they currently only have 12.7% funded in international. The Trustees discussed the rebalancing, where the money would come from, and how much. Mr. Cole recommends taking \$250K (or 1.7%) from the I-Shares S&P 500 account and transferring it to the Europacific Fund to bring the policy target closer to 15%.

Gabe Vella made a motion to authorize and approve the transfer of \$250K (or 1.7%) from the I-Shares S&P 500 account to the EuroPacific account per the recommendation of the investment consultant. Karen Gudinas seconded the motion and approved by the Trustees 3-0.

Mr. Cole continued to report on the quarter ending March 31, 2015 and briefly reviewed each manager's performance. He noted that all the managers outperformed their indexes for the quarter and that they continue to remain nicely diversified. Lastly Mr. Cole gave his market outlook and stated that currently the dollar is at an all time high right now which is very beneficial to the market place. Europe remains cheap and he discussed the valuations in which he thinks remain fairly valued right now. Also convertibles are still doing great as well as REITS, but they are still a very risky asset class. Lastly Mr. Cole discussed TIPS, in which this Plan currently does not have any of, and stated that this is an asset class that he might be making a recommendation to the Board to allocate a small portion to in the near future as they protect against inflation.

Scott Christiansen, Christiansen & Dehner

Mr. Christiansen presented the Board with the updated Summary Plan Description (SPD). He reviewed the updates/revisions that were made in regards to the buyback and disability sections. The Trustees made some recommended revisions.

Karen Gudians made a motion to approve the updated Summary Plan Description with the revised changes. Gabe Vella seconded the motion and approved by the Trustees 3-0.

Mr. Christiansen updated the Board on the current Legislative session and noted that there are 3 Bills that passed and are on the Governor's desk to either be signed or vetoed. He briefly reviewed the details of each proposed Bill such as the change in mortality table, the creation of individual share accounts, as well as creating an administrative budget. Mr. Christiansen noted that he will update the Board as soon as more information becomes available.

Lastly Mr. Christiansen reviewed his memo regarding the confidentiality request form that the City needs to sign so that we can have it on file. Ms. Ross stated that she will forward it to the City Manager for signature.

Audrey Ross, Pension Resource Center

Ms. Ross reminded the Trustees that their Annual Form 1 Disclosures are due July 1, 2015.

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IV. NEW BUSINESS

N/A

V. PLAN FINANCIALS

Disbursements

The Trustees then reviewed the Warrant dated May 8, 2015 for payment of invoices.

Jeff Koltun made a motion to approve the Warrant dated May 8, 2015 for payment of invoices. Karen Gudinas seconded the motion and approved by the Trustees 3-0.

Financial Statements

The Trustees reviewed the interim balance sheet and statement of income and expense as of March 31, 2015.

The Trustees received and filed the March 31, 2015 balance sheet and the statement of income and expense.

VI. PUBLIC COMMENTS

Mr. Salsbury stated that he is a recent retiree from the pension plan and explained his situation in regards to his DROP distribution. He was very frustrated because his first distribution that was sent to his rollover financial institution was not processed properly and therefore it took a while to get his money. Ms. Ross apologized for the delay and the inconvenience and explained that her payment department did have an error while processing the rollover but everything has since been straightened out.

Ms. Holloway expressed her concern regarding the 2014 State Annual Report not being filed by the March 15, 2015 deadline. Ms. Ross explained that there was a delay in getting the report submitted in time and that it did not occur until about the first week in April. She also explained that in the past they have never been faulted for turning in the report past the deadline as the Division of Retirement takes months to respond anyways, just as long as the report is approved by September 30 of each year so that the Plan receives their State money. Although Ms. Ross stated that she will make sure that all the future reports are filed by the deadline going forward so that there is not any concern.

VII. ADJOURNMENT

There being no other business and the next meeting having previously been scheduled for Friday August 14, 2015 the meeting adjourned at 9:17 AM.

Respectfully submitted,

Shawn Anastasia, Secretary