

City of Lake Mary Firefighters' Retirement System
Meeting of February 5, 2016

I. CALL TO ORDER

Chairman Gabe Vella called the meeting to order at 7:36 A.M. Those persons present included:

TRUSTEES

Gabe Vella, Chairman
Shawn Anastasia, Secretary
(arrived 7:44 AM)
Martin Bel
Jeff Koltun
Karen Gudinas

OTHERS

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

II. APPROVAL OF MINUTES

The Trustees reviewed the minutes from the regular meeting on November 6, 2015.

Karen Gudinas made a motion to approval of the minutes from the regular meeting of November 6, 2015. Gabe Vella seconded the motion and passed by the Trustees 4-0.

III. REPORTS

Matt Stuart, Eagle Asset Management

Mr. Stuart introduced himself and stated that Mr. Rick could not make it today as he was stuck up north due to the weather conditions. He reviewed the market environment during the quarter as well as the top and bottom performing sectors for the SMID cap portfolio. Health care lead during the quarter as energy detracted the most. For the quarter they fund outperformed the index at 4.33% versus 3.28%, but for the one year they are down -0.50% versus the index at -2.90%. Mr. Stuart stated that there is still a lot of uncertainty in the market place as we are approaching an election year, but overall the fund is doing well.

Mr. Stuart reviewed the fixed income portfolio which seems to be doing slightly better. Currently the fund has an overweight to Treasuries and an underweight to Corporates. For the quarter the fund was down but ahead of the benchmark at -0.42% versus -0.57%, but for the one year they are positive and ahead of the benchmark at 1.29% versus 0.82%. Since the quarter has ended they have increased their exposure to Corporates and have a barbell effect across the portfolio. There are still concerns in the fixed income sector, although it is a safe place to be in at the moment. Lastly Mr. Stuart discussed interest rate hikes and the effect on the portfolio, although he doesn't think the Feds will raise rates again this year as initially thought.

Frank Wan, Burgess Chambers and Associates (BCA)

Mr. Wan briefly reviewed the market performance for the quarter ending December 31, 2015. He noted that the dollar did slightly decrease and the oil prices remain dropping. For the quarter the fund underperformed the benchmark net of fees at 2.86% versus 3.26%, and for the one year they are up 0.17% versus the index at -0.78%. Mr. Wan

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briefly reviewed each manager's performance for the quarter and commented that the REITS did well which was surprising. He discussed diversifying assets in which they have done recently, but he would like to see the Plan diversify or rebalance out to additional asset classes as well to help protect the fund in an event of a significant market decline. Mr. Wan is not trying to time the market but he would like the fund to prepare for such an event. Real estate has been doing very well recently and Mr. Wan would like to see the Board allocate more to that asset class. He explained that American Realty does have an incoming queue which is about a couple of quarters, but they could get the paperwork in now to get in line. Mr. Wan would recommend taking the money from the REITS to take some risk off the table and move it to private real estate with American Realty as it will add more of a return. He explained that historically the Plan has done well with REITS as they did capture all their upside, but now we don't want to capture their downside because they are not doing as well anymore. The Trustees had a very lengthy discussion on the recommendation of moving from REITS to private real estate. Mr. Bel mentioned waiting a quarter or so to see what market events happen before they make a move. Mr. Wan stated that he thinks the Board should get in the queue with American Realty and if anything happens or changes between now and when the money is called, then he would call together a special meeting.

Gabe Vella made a motion to transfer \$250K from the REITS to American Realty (to get in line for the American Realty capital call), but in the meantime move the \$250K to the cash account until American Realty calls it. Jeff Koltun seconded the motion and approved by the Trustees 3-2.

Scott Christiansen, Christiansen & Dehner

Mr. Christiansen stated that the Board is required to reselect their officers every 2 years and therefore this item needs to be placed on the next meeting agenda.

Mr. Christiansen updated the Board on the buyback Ordinance in which the City passed on first reading and will be sent for second reading. Ms. Ross stated that she will send the Ordinance and the impact statement to the Division of Retirement prior to second reading and then will get a signed final copy once passed as well.

Mr. Christiansen confirmed that the year-end letters did go out.

Mr. Christiansen updated the Board on the Legislative session and the proposed Bill. This first proposed Bill would add any type of cancer to the presumption list of the heart and lung Bill. The second proposed Bill is in regards to public records request. This Bill would allow for Firefighters' personal information to be redacted on all public records request; the same guidelines the Police currently have.

Audrey Ross, Pension Resource Center

Ms. Ross presented the Board with the September 30, 2015 final administrative budget. Mr. Christiansen made some revisions to the heading of the columns. Ms. Ross stated that once revised, this document will be posted on the Plan's website as required.

Shawn Anastasia made a motion to approve the September 30, 2015 Administrative budget as amended. Gabe Vella seconded the motion and approved by the Trustees 5-0.

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Ms. Ross presented the Board with the Chapter 112.664, Florida Statutes Compliance Report as prepared by the Plan's Actuary. This report will also be uploaded to the Plan's website as required.

Lastly Ms. Ross stated that she has the State Annual Report signature page with her today to be executed as the final report will be submitted to the Division of Retirement prior to the deadline of March 15, 2016.

IV. NEW BUSINESS

N/A

V. PLAN FINANCIALS

Disbursements

The Trustees then reviewed the Warrant dated February 5, 2016 for payment of invoices.

Karen Gudinas made a motion to approve the Warrant dated February 5, 2016 for payment of invoices. Gabe Vella seconded the motion and approved by the Trustees 5-0.

Benefit Approvals

The Trustees reviewed the application for a refund of contributions for Devin Chapman.

Shawn Anastasia made a motion to approve the refund of contributions for Devin Chapman. Karen Gudinas seconded the motion and approved by the Trustees 5-0.

Financial Statements

The Trustees reviewed the interim balance sheet and statement of income and expense as of December 2015.

The Trustees received and filed the December 2015 balance sheet and the statement of income and expense.

VI. PUBLIC COMMENTS

N/A

VII. ADJOURNMENT

There being no other business and the next meeting having previously been scheduled for Friday May 6, 2016 the meeting adjourned at 9:24 AM.

Respectfully submitted,

Shawn Anastasia, Secretary