

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

**I. CALL TO ORDER**

Secretary Shawn Anastasia called the meeting to order at 7:35 A.M. Those persons present included:

**TRUSTEES**

Shawn Anastasia, Secretary  
Jeff Koltun  
Karen Gudinas  
Martin Bel

**OTHERS**

Scott Christiansen, Christiansen & Dehner, PA  
Audrey Ross, Resource Centers  
Ed Rick, Eagle Asset Management  
Mitchell Brennen, Burgess Chambers & Associates  
Dianne Holloway, City of Lake Mary Finance Director

**II. APPROVAL OF MINUTES**

The Trustees reviewed the minutes from the regular meeting on May 6, 2016.

**Karen Gudinas made a motion to approval of the minutes from the regular meeting of May 6, 2016. Martin Bel seconded the motion and passed by the Trustees 4-0.**

**III. REPORTS**

**Ed Rick, Eagle Asset Management**

Mr. Rick gave a brief market update during the quarter ending June 30, 2016. He stated that towards the end of the quarter the BREXIT occurred but it did not have any impact on this portfolio. For the quarter the SMID cap fund did well and was ahead of the index at 3.73% versus 3.57%. For the one year they are negative but ahead of the index at -0.96% versus -3.67%. Health care and financials were the leading sectors during the quarter and materials were the largest detractor. Overall this portfolio is doing well and the markets are starting to reward their investment style once again. Mr. Rick reviewed the fixed income portfolio and noted that for the quarter they were are 2.15% but still slightly trailing the index at 2.21%. For the one year they are ahead at 7.02% versus the index at 6%. He reviewed the allocation and noted that their largest holding is in treasuries, although they did add some more into corporates during the quarter. Overall this fund is doing well and they will continue to keep the duration short for the time being. Mr. Bel had a question in regards to Eagle's association with Raymond James. Mr. Rick explained that Eagle Asset Management is owned by Raymond James but it does not have any effect on this Plan's portfolio or investment team. Raymond James offers more resourceful back office support and that is about is.

**Mitchell Brennen, Burgess Chambers and Associates (BCA)**

Mr. Brennen reviewed the Plan's performance for the quarter ending June 30, 2016. For the quarter the fund was up 2.4% but slightly trailing the index at 3%. For the fiscal year to date they are in the same position at 6% versus 7.1%. They ended the quarter with \$14M in assets and Mr. Brennen briefly reviewed each manager's performance for the quarter and noted that the REITS were the largest contributor. American Realty had another capital call on July 1, 2016 and therefore they are now fully invested with them. He reviewed the asset allocation and stated that they currently have a underweight to international in which they are fine with due to the market environment over there. He

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commented that overall the fund is doing well and he does not have any recommendations at this time. Mr. Bel asked Mr. Brennen's thoughts about allocating into TIPS since the interest rates are still so low and eventually inflation will hit. Mr. Brennen explained that BCA does monitor TIPS and over the last 5 years they have not done much until this last quarter. BCA as a firm is still not recommending an allocation in them right now, but they will continue to monitor them. Also they will continue to monitor the index funds because eventually they will want to look into allocating some of those funds out into active management.

**Scott Christiansen, Christiansen & Dehner**

Mr. Christiansen noted that all the Trustees turned in their annual form 1 disclosure forms on time.

Mr. Christiansen commented that the 2015 State Annual Report was approved and the State money should be coming in soon.

Mr. Christiansen discussed the State money and the Share account funding requirements in which a decision was supposed to be made by October 1, 2015. He explained that the State money is based off the premium tax money collected within the City of Lake Mary. Mr. Anastasia stated that he and the members had a meeting with the City regarding this yesterday, although a final decision has still not been made as of yet. Ms. Holloway provided the Board with a slideshow of what was reviewed at yesterday's meeting regarding some recommendations for splitting the State money and the funding of the Share accounts. The Board had a lengthy discussion and asked Mr. Christiansen questions on the specifics. Mr. Anastasia commented that he will continue to work with the members and the City to get it resolved as soon as possible. Mr. Christiansen stated that once a mutual consent is reached, then it needs to be put into writing as well.

**Audrey Ross, Pension Resource Center**

Ms. Ross presented the Board with the administrative budget for the fiscal year 2016/2017. She reminded the Trustees that this is a new State requirement that has to be completed and filed with the City sponsor each year. The Trustees noted that going forward to only increase the assumption rates by 10-15% and not 20-25%. Ms. Ross concurred.

**Jeff Koltun made a motion to approval the administrative budget for the fiscal year 2016/2017 as presented. Karen Gudinas seconded the motion and passed by the Trustees 4-0.**

**IV. NEW BUSINESS**

Mr. Brennen explained that the SEC has approved changes to the Fidelity Institutional prime money market fund that may impact this Plan's investment. Therefore Regions Bank is automatically moving their clients into the Fidelity Government Money Market Fund effective October 14, 2016, unless they are directed otherwise. Mr. Brennen stated that BCA is comfortable with this change and there is no price impact either.

Ms. Ross presented the Board with the Fiduciary Liability Insurance Renewal quote for October 2016 through October 2019. She commented that the total 3 year premium increased by \$165.72 for a total of \$8,898 (or \$2,966 per year). Mr. Christiansen noted that the City will pay for the \$100 recourse fee.

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**Karen Gudinas made a motion to approval the October 2016 through October 2019 Fiduciary Liability Insurance Renewal Fee as presented (total for 3 years is \$8,898). Martin Bel seconded the motion and passed by the Trustees 4-0.**

Ms. Ross stated that the Plan received a letter from the Division of Retirement confirming that all Actuarial Valuations through September 30, 2015 have been approved.

**V. PLAN FINANCIALS**

**Disbursements**

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

**Jeff Koltun made a motion to approve the Warrant dated August 5, 2016 for payment of invoices. Karen Gudinas seconded the motion and approved by the Trustees 4-0.**

**Benefit Approvals**

The Trustees reviewed the applications to enter and exit the DROP for Paul Kranjak and the application for distribution of DROP account for Paul Kranjak.

**Martin Bel made a motion to approve the applications to enter and exit the DROP for Paul Kranjak and the application for distribution of DROP account for Paul Kranjak. Jeff Koltun seconded the motion and approved by the Trustees 4-0.**

**Financial Statements**

The Trustees reviewed the interim balance sheet and statement of income and expense as of June 2016.

**The Trustees received and filed the June 2016 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 November 4, 2016 the meeting adjourned at 9:12 AM.

Respectfully submitted,

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Shawn Anastasia, Secretary