

City of Lake Mary Firefighters' Retirement System
Meeting of May 4, 2018

I. CALL TO ORDER

Secretary Shawn Anastasia called the meeting to order at 7:37 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
Frank Wan, BCA
Brent Mason, City of Lake Mary Finance Director

II. SELECTION OF CHAIRMAN & SECRETARY

Jeff Koltun made a motion to reselect Gabe Vella to continue as Chairman and Shawn Anastasia to continue as Secretary. Karen Gudinas seconded the motion and passed by the Trustees 4-0.

III. APPROVAL OF MINUTES

The Trustees reviewed the minutes from the regular meeting held on February 2, 2018.

Karen Gudinas made a motion to approve the minutes from the regular meeting held on February 2, 2018. Gabe Vella seconded the motion and passed by the Trustees 4-0.

IV. REPORTS

Ed Rick, Eagle Asset Management

Mr. Rick gave a brief firm update and stated that Connor from his firm who previously attended these meetings, has since departed with the firm and moved to Chicago. Crystal is still with the firm but just with another team. Also the firm's acquisition has been completed and the firm has since grown, but there have been no changes to this Plan's portfolio or the team members.

Mr. Rick gave a brief update on the market environment during the quarter and stated that energy was the leading sector, although they did miss some opportunities in real estate and financials. He reviewed the individual stocks that helped their performance and the ones that detracted. They have since trimmed back in some of the holdings that were down, but they still remain to have an underweight to REITS and utilities due to the market environment. On the equity side the Plan was slightly down -0.06% but still outperforming the index at -0.24%. On the fixed income side they are in the same position at -1.34% versus the index at -1.46% for the quarter. High yield outperformed the lower quality portfolio and he discussed how the yield curve and the recent rate hike affected it. Also short term corporates hurt them this quarter so they have since moved some money out of them and also increased their duration. Mr. Rick explained that they are currently in the 7-10 year Treasury range and thinks they will benefit from it going forward. He stated that they do not think a recession will occur again soon, but they are prepared and positioned for a pull back. Mr. Wan discussed the fixed income portfolio and performance which has lagged overtime and Eagle has been on watch for this and Mr. Wan stated that he thinks this is the last year they are willing to stay with Eagle's

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fixed income portfolio if the performance does not change. The Trustees had a very lengthy discussion on the fixed income portfolio and market as a whole. Mr. Rick stated that they can always discuss fees associated with this account since it is a large part of the Plan's return. Also if interest rates continue to increase, the portfolio will still go down but hopefully not as much as the market due to the way they have positioned it in anticipation of a pull back.

Frank Wan, Burgess Chambers and Associates (BCA)

Mr. Wan announced that BCA recently celebrated their 30 year anniversary and he thanked the Board for their continued business and services.

For the quarter ending March 31, 2018 the Plan had a net return of -0.6% versus the index at -1.4%. But for the fiscal year the Plan remains positive and ahead of the index at 2.6% versus 1.8%. Mr. Wan stated that it was a tough market place this quarter and it was hard to find value anywhere. He briefly reviewed each manager's performance and noted that they were mostly inline with their relative benchmarks. American Realty has been doing well as they have been buying more buildings recently as well as notes. Mr. Wan stated that he will invite American Realty to the next meeting for an update. He discussed the Salient account and stated that he is disappointed in LLP's altogether and explained what happened to them as an asset class during the quarter, which lead to Salient's underperformance. LLP's as an asset class overall is struggling with debt and therefore Mr. Wan is recommending they broaden their MLP exposure out to infrastructure to add diversification within as well as lessen the risk.

Mr. Wan reviewed his handout regarding infrastructure and some recommended managers that manage it. He noted that due to this Plan's size and assets, they have narrowed their options down to two managers. Mr. Wan reviewed and compared these managers and stated that they have a lot more broader pool of what they can invest in versus just MLP's. Mr. Wan's recommendation is to replace Salient altogether and would recommend Cohen & Steers because they have more diversified exposure and their fee is also lower than the mutual fund at 75bp. The Board had a lengthy discussion on the recommendation and the different managers. Mr. Bel expressed his concerns with inflation and they previously looked into TIPS but they were too expensive. Mr. Wan stated that if the Board did want to move forward with hiring a manager and moving out of Salient then they would need to revise their IPS to reflect this change.

Shawn Anastasia made a motion to approve the revised IPS as presented. Martin Bel seconded the motion and passed by the Trustees 4-0

Martin Bel made a motion to hire Cohen & Steers to replace the Salient account and to direct the Plan's Attorney to draft and review the contract. Karen Gudinas seconded the motion and passed by the Trustees 4-0

Scott Christiansen, Christiansen & Dehner

Mr. Christiansen presented the Board with the operating rules and procedure addendum regarding the service provider review language he was directed to add in.

Martin Bel made a motion to approve the addendum to the operating rules and procedures as presented. Jeff Koltun seconded the motion and passed by the Trustees 4-0

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Mr. Christiansen briefly reviewed his memo on services providers E&O insurance coverage. The Trustees asked Ms. Ross to bring copies of the coverage to the next meeting from all their service providers.

Mr. Christiansen reminded the Trustees that their annual form 1 disclosures are due July 1, 2018.

Mr. Christiansen briefly updated the Board on the Legislative session that recently ended. There were no Bills passed that directly affected the defined benefit Plan's, but he did review SB 536 that passed regarding PTSD and workers comp at the City level. He reminded the Trustees that their pension plan has always had mental coverage as a disability retirement can be physical or mental.

Audrey Ross, Pension Resource Center

n/a

V. NEW BUSINESS

Ms. Ross presented the Board with a service provider review schedule and also her firms contract as they were first on the list. Mr. Christiansen discussed the process and stated that this is the first time this Board is doing this. The Trustees stated that they will add this to the agenda for the next meeting as well and in the meantime they will see what information can be gathered. Mr. Christiansen stated that he can provide some fees of other administrators but it is a hard comparison because of fund sizes, work load, etc.

VI. PLAN FINANCIALS

Disbursements

The Trustees then reviewed the Warrant dated May 4, 2018 for payment of invoices.

Jeff Koltun made a motion to approve the Warrant dated May 4, 2018 for payment of invoices. Karen Gudinas seconded the motion and approved by the Trustees 4-0.

Benefit Approvals

The Trustees then reviewed the benefit approval list dated May 4, 2018.

Shawn Anastasia made a motion to approve the benefit approval list dated February 2, 2018. Karen Gudinas 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 March 2018.

The Trustees received and filed the March 2018 balance sheet and the statement of income and expense.

VII. PUBLIC COMMENTS

N/A

VIII. ADJOURNMENT

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There being no other business and the next meeting having previously been scheduled for Friday August 3, 2018 the meeting adjourned at 9:38 AM.

Respectfully submitted,

Shawn Anastasia, Secretary