

# *City of Lake Mary Firefighters' Retirement System*

## **Meeting of November 2, 2018**

### **I. CALL TO ORDER**

Chair Babe Vella called the meeting to order at 7:34 A.M. Those persons present included:

#### TRUSTEES

Gabe Vella, Chair  
Shawn Anastasia, Secretary  
Martin Bel

#### OTHERS

Scott Christiansen, Attorney (Christiansen & Dehner, PA)  
Audrey Ross, Administrator (Resource Centers LLC)  
Frank Wan, Investment Consultant (Burgess Chambers Assoc.)  
Crystal Wamble, Investment Manager (Eagle Asset Management)  
Brent Mason, Finance Director (City of Lake Mary)  
Jeff Amrose, Actuary (Gabriel Roeder Smith)

### **II. SELECTION OF FIFTH TRUSTEE**

Gabe Vella made a motion to reappoint Jeff Koltun to another term as fifth Trustee on the Board. Martin Bel seconded the motion, approved by the Trustees 3-0.

### **III. APPROVAL OF MINUTES**

The Trustees tabled approval of the Minutes for the August 3, 2018 Quarterly Meeting.

### **IV. REPORTS**

#### **Annual Valuation (Jeff Amrose, Gabriel Roeder Smith)**

Jeff Amrose reported that the City required contribution remained low at 27.5% for the fiscal year ending September 30, 2020, though an increase of 2.72% from the 24.78% required City contribution for 2018-19. Mr. Amrose also noted that the plan historically kept the required funding stable with a 91.1% funded ratio. The accuracy of the current assumptions used to produce the Valuation keeps the required contributions stable as well. The plan had a slight net experience loss for the October 1, 2018 Valuation due to slightly higher than expected increases in payroll.

Mr. Amrose reviewed the Chapter 175 premium tax receipts from Florida and the allocations to member Share Accounts. Mr. Amrose suggested the Board combine the remaining experience components to also keep future contribution requirements stable. The plan has 36 active members, 16 retired members, and 2 vested deferred members. Of the \$173,529 of Chapter 175 premium taxes received, \$3,776 was allocated to the member Share Accounts. The plan ended the year with total assets of \$17,904,910 and \$327,221 of DROP and Share Account assets. The 77bp total cost for administration of the plan remains low in comparison to other plans.

Gabe Vella made a motion to approve the October 1, 2018 Annual Valuation. Shawn Anastasia seconded the motion, approved by the Trustees 4-0.

The Board discussed the partial lump sum options available to members at retirement, and benefit options under discussion between the City and the union during collective bargaining.

**Manager Report (Crystal Wamble, Eagle Asset Management)**

Crystal Wamble provided a brief update for the firm and an overview of the market. The portfolio managed by Eagle gained 4.92% for the quarter ending September 30 compared to 4.7% for the benchmark. The fixed income portfolio, meanwhile, trailed the benchmark slightly with a return of -0.06% compared to 0.02%. Ms. Wamble reported that fixed income assets remain volatile as interest rates continue to rise. The manager keeps the fixed income conservatively positioned right now due to the volatile market environment. The fixed income portfolio has a heavier weight to corporate debt with a slightly longer duration than the benchmark.

**Investment Consultant (Frank Wan, Burgess Chambers and Associates)**

Mr. Wan discussed the impact of the elections on the market. For the fiscal year ending September 30, 2018, the assets gained 7.4% compared to 6.5% for the benchmark. For the quarter, the assets gained 3.0% compared a return of 3.1% for the benchmark. Mr. Wan reviewed the current asset allocation, as well as recent changes to the MLP (Master Limited Partnership), REIT (Real Estate Investment Trust) investments, and the addition of global infrastructure, all which had a positive impact on performance. Frank Wan advised the Board regarding long term expectations for returns.

**Gabe Vella made a motion, based on the advice of the Investment Consultant, to confirm that the Board expected to achieve a 7.0% return on investments for the next year, the next several years, and the long term thereafter. Shawn Anastasia seconded the motion, approved by the Trustees 4-0.**

Frank Wan reviewed the performance for the individual managers. Eagle Asset Management and the international equities returned less than their respective benchmarks for the fiscal year. Mr. Wan recommended the Board add another large cap equity manager to further diversify the portfolio. He reviewed and compared results for additional equity managers and recommended the Board move \$1,000,000 from the S&P 500 Index allocation to Fiduciary Management. The Board considered allowing managers to make presentations but preferred to move some of the assets sooner.

**Gabe Vella made a motion to move \$1,000,000 from the S&P 500 Index to the Fiduciary Management mutual fund and authorize Scott Christiansen to initiate a contract with the manager. Martin Bel seconded the motion, approved by the Trustees 4-0.**

**Attorney Report (Scott Christiansen, Christiansen & Dehner)**

Scott Christiansen presented the quarterly meeting dates for 2019.

**Shawn Anastasia made a motion to approve the 2019 meeting dates. Gabe Vella seconded the motion, approved by the Trustees 4-0.**

Mr. Christiansen then addressed the problem of pension overpayments and various means to avoid overpaying benefits. He advised that the fiscal year report letters should go to the City. Finally, he reviewed proposed changes to the ordinance for compliance with Internal Revenue Code changes.

**Gabe Vella made a motion to approve the proposed ordinance for Internal Revenue Code compliance. Shawn Anastasia seconded the motion, approved by the Trustees 4-0.**

The Board discussed the fees charged to member Share Accounts, updated in the revised Board Operating Rules and Procedures.

Gabe Vella made a motion to approve the updates to the Operating Rules and Procedures. Shawn Anastasia seconded the motion, approved by the Trustees 4-0.

**Administrator Report (Audrey Ross, Resource Centers)**

Audrey Ross revised the Administrative Expense Report for the fiscal year ending September 30, 2018.

Shawn Anastasia made a motion to approve the Administrative Expense Report. Gabe Vella seconded the motion, approved by the Trustees 4-0.

**V. OTHER BUSINESS**

The Board considered the process to periodically review all service provider relationships, starting with the plan administrator. The Board designated Chair Gabe Vella to coordinate this review with the City and with the Police Officer Board of Trustees.

**VI. PLAN FINANCIALS**

The Trustees then reviewed the Warrant dated November 2, 2018 for payment of invoices.

Gabe Vella made a motion to approve the Warrant dated November 2, 2018 for payment of invoices. Martin Bel seconded the motion, approved by the Trustees 4-0.

The Trustees then reviewed the benefit approval list dated November 2, 2018.

Gabe Vella made a motion to approve the benefits for November 2, 2018. Martin Bel seconded the motion, approved by the Trustees 4-0.

The Trustees reviewed the interim financial statement as of September 30, 2018.

The Trustees received and filed the September 2018 interim financial statement.

**VII. PUBLIC COMMENTS**

No members of the public had any comment.

**VIII. ADJOURNMENT**

There being no other business and the next meeting having previously been scheduled for Friday February 8, 2019, the meeting adjourned at 9:36 AM.

Respectfully submitted,

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Shawn Anastasia, Secretary