

City of Lake Mary Firefighters' Retirement System

Quarterly Meeting of August 2, 2024

I. CALL TO ORDER

Gabe Vella called the meeting to order at 7:37 AM. Those persons present included:

TRUSTEES

Gabe Vella, Chair
Adam Neri, Secretary
Martin Bel
Elizabeth Stack

OTHERS

Scott Baur & Sarah Vandergon, Administrator (Resource Centers)
Frank Wan, Investment Consultant (Burgess Chambers Assoc.)
Brent Mason, Finance Director (City of Lake Mary)
Pedro Herrera, Attorney (Sugarman & Susskind)
Ryan Nails, Investment Manager (Eagle Capital Management)
Michael Johansmeyer, Fire Chief (Lake Mary Fire Department)

II. APPROVAL OF MINUTES

The Board reviewed the Minutes for the meeting of May 3, 2024 Quarterly Meeting.

Gabe Vella made a motion to approve the May 3, 2024 Quarterly Meeting minutes. The motion received a second from Adam Neri, approved by the Trustees 4-0.

III. REPORTS

Investment Manager: Eagle Capital Management (Ryan Nails)

Mr. Nail reported that the markets in the June 30, 2024 quarter produced losses for small cap stocks, but small cap issues rallied during the month of July. AI themes and interest rates continue to dominate the markets. Eagle Capital Management foresees a rate cut in September, which should further boost small cap stocks. Eagle Capital Management manages a small cap strategy with a slight growth and quality bias.

Mr. Nails reported that Eagle Capital Management unexpectedly lost a Portfolio Manager at the end of June, due to a health issue. The manager had spent as long as 20 years building his team, so Eagle will continue to implement the same investment process. The co-managers of the portfolio will continue to take the lead going forward. Eagle Capital Management plans to add analysts to the team as well.

Martin Bel asked Mr. Nail to comment on weakness in biotech holdings. Ryan Nails explained that biotech as a sector can have significant volatility despite individual company strengths, so the manager does not include many biotech holdings in the portfolio.

Investment Consultant: Burgess Chambers & Assoc. (Frank Wan)

Mr. Wan reviewed the performance of Eagle Capital Management, noting that returns have been strong and consistent. The consultant will continue to monitor the performance of the manager considering the recent transitions on the management team.

Mr. Wan commented on the impact of politics on markets and expectations. Most of the rest of the world has already begun to cut interest rates. The US Dollar remains strong, but a strong dollar also creates headwinds for American good and services.

Mr. Wan reviewed the asset allocation, which now overweights equities. Mr. Wan reported that since June 30, the leading companies have gotten pummeled in the market. The assets gained 0.7% for the quarter ending June 30, 2024 and 14.8% fiscal year to date, compared to returns of 1.4% and 15%

benchmark. The Retirement System finished the quarter ending June 30, 2024 with \$27,293,078.00 in total assets. Mr. Wan further reviewed the individual manager allocations. Commercial real estate holdings and cap rates that determine property valuations also appear to be stabilizing. Fixed income assets also provided more stable results. Mr. Wan made no current recommendations for changes to the portfolio. He reviewed some recommendations for updates to the investment policy, suggesting a change to the real estate benchmark.

Gabe Vella made a motion to update investment policy language to use MSCI-REIT benchmark. The motion received a second from Adam Neri, approved by the Trustees 4-0.

Mr. Wan commented on Highland Capitals Fixed Income, noting that Highland Capital has delivered consistent results with a higher weight to mortgage-backed securities, which have higher yields.

Attorney Report (Pedro Herrera, Sugarman, Susskind, Braswell & Herrera)

Mr. Herrera reminded the Trustees to file Annual Form 1. He also reviewed updates to the Operating Rules and Procedures.

Gabe Vella made a motion to incorporate prior 2018 amendments to the Operating Rules and Procedures. The motion received a second from Adam Neri, approved by the Trustees 4-0.

The Board discussed Adam Neri's retirement; Mr. Herrera agreed that the Board cannot extend the term for the seat opening due to his retirement, but the Board can post an election to fill the final meeting of his current term along with the next regular 2-year term. The Board can also leave the seat unfilled for the November meeting. The Board ultimately decided to do post an election for the seat to be filled prior to the November meeting and for a 2-Year term beginning January 1, 2025.

Administrator (Scott Baur, Resource Centers)

Mr. Baur introduced Sarah Vandergon, who will be joining him in attending the meetings. Mr. Baur announced the upcoming Department of Management Services 53rd Annual Police Officers' and Firefighters' Pension Trustee's Conference November 13-15th, 2024 in case the Trustees have interest in attending. Mr. Baur also gave an update on the Department of Management Services Annual Report, announcing the report has been approved.

IV. PLAN FINANCIALS

Mr. Baur presented the plan financials for the Trustees to review. The Trustees received, reviewed, and filed the interim financial statements through June 30, 2024. The Board then reviewed the Warrant dated August 2, 2024 for payment of invoices.

Gabe Vella made a motion to approve the warrant dated August 2, 2024. The motion received a second from Adam Neri, approved by the Trustees 4-0.

V. BENEFIT APPROVAL

Mr. Baur presented the benefit approvals dated August 2, 2024 for review by the Trustees.

Gabe Vella made a motion to approve the benefit approvals dated August 2, 2024. The motion received a second from Adam Neri, approved by the Trustees 4-0.

VI. OTHER BUSINESS

The Board discussed the replacement of Board Secretary, previously held by Adam Neri who is retiring, with Jeffrey Koltun for the November 1, 2024 meeting.

Elizabeth Stack made a motion to nominate Jeffrey Koltun to serve as Board Secretary. The motion received a second from Martin Bel, approved by the Trustees 4-0.

VII. PUBLIC COMMENTS

No members of the public had any comment.

VIII. ADJOURNMENT

The Board previously scheduled the next regular meeting for Friday, November 1, 2024, at 7:30am. The Board Chair adjourned the meeting at 8:40am.

Respectfully submitted,

Jeffrey Koltun
Secretary