

**LAKE WORTH DIVISION II FIREFIGHTERS’  
RELIEF AND PENSION FUND  
MINUTES OF MEETING HELD  
February 27, 2024**

The meeting was called to order at 8:32 A.M. in the Commission Chambers at City Hall, Lake Worth, Florida. Those persons present were:

**TRUSTEES**

Steve Appleby  
Jesse Rivero  
Philip Puleo  
Chief Kim Hude (8:37 A.M.)

**OTHERS**

Margie Adcock, The Pension Resource Center  
Mark Floyd, Attorney  
Jorge Friguls, Investment Monitor  
Steve Stack, Investment Manager

**PUBLIC COMMENTS**

There were no public comments.

**MINUTES**

The Trustees reviewed the minutes of the meeting of November 28, 2023. A motion was made, seconded and carried 3-0 to accept the minutes of the meeting of November 28, 2023.

**INVESTMENT MANAGER REPORT**

Steve Stack appeared before the Board. He reviewed the market environment as of December 31, 2023. He stated that the quarter ending December 31, 2023 was really nice considering where the market had been. He stated that the market anticipated last year that there would be six interest rate cuts this year. So far there have not been any interest rate cuts and it is not anticipated that there will be any this year. There was discussion on the housing market. Mr. Stack stated that they do not see much changing in the portfolio. He noted that the Fed does not like increasing rates before an election and he does not see any reason for the Fed to do so this year.

Chief Hude entered the meeting.

Mr. Stack reported on the performance for the quarter ending December 31, 2023. The total market value of the portfolio as of December 31, 2023 was \$2,289,008. The value equity portion of the portfolio was up 9.01% while the Russell 1000 Value benchmark was up 9.47%. The growth equity portion of the portfolio was up 13.94% while the Russell 1000 Growth benchmark was up 14.16%. The international portion of the portfolio was up 8.55% while the EAFE benchmark was up 9.75%. The bond portion of the portfolio was up 5.29% while the benchmark was up 6.63%. He stated that they are pleased with their performance. A motion was made, seconded and carried 4-0 to accept the Investment Manager Report.

## **INVESTMENT MONITOR REPORT**

Jorge Friguls appeared before the Board. He reviewed the market environment for the quarter ending December 31, 2023. He stated that there has been no major recession or major collapse that was expected in 2023. Rather, the markets saw a pause by the Fed with respect to interest rate increases. Equity markets rallied pretty significantly at the end of the year. There is a lot of friction and conflict in the consumer market with credit card debt and delinquencies on the rise, but consumer spending still being very strong. They are seeing strong job gains but noted that some are second jobs.

Mr. Friguls reviewed the performance as of December 31, 2023. The total market value of the total Fund as of December 31, 2023 was \$2,288,497. The asset allocation at market as of December 31, 2023 was 47.7% in domestic equities; 37.2% in fixed income; 11.9% in international; and 3.2% in cash. The asset allocation is very close to the IPS targets. Mr. Friguls stated that there was no need to rebalance at this time.

Mr. Friguls reported that the Fund was up 8.58% net of fees for the quarter while the benchmark was up 9.69%. For the fiscal year, the Fund was up 16.65% net of fees while the benchmark was up 16.83%. He stated that the Fund had great performance for the quarter and the fiscal year. Domestic equities were up 12.04% for the quarter while the benchmark was up 11.96%. International was up 14.65% for the quarter while the benchmark was up 9.82%. Fixed income was up 4.57% for the quarter while the benchmark was up 6.82%. Mr. Stack stated that the short duration position has helped out. They are getting back to a more neutral duration. A motion was made, seconded and carried 4-0 to accept the Investment Monitor Report.

Mr. Friguls discussed their organizational announcement. He stated that AndCo is being acquired by Mariner. He stated that Mariner is a strategic partner, and they do business in all 50 states. They are a well-resourced firm. There are no changes to the services currently offered by AndCo or to the service team. The target date for the merger is April 2, 2024. He stated that the only noticeable change will be to their name. He stated that they are required to notify the Board of such transactions and ask for consent due to SEC regulations. There was a lengthy discussion. The Board was presented with a Consent for Assignment of Investment Advisory Agreement. Mr. Floyd stated that they are not changing the terms of the agreement and he has no issue with the merger or the Consent. A motion was made, seconded and carried 4-0 to authorize the Chair to sign the Consent for Assignment of Investment Advisory Agreement.

## **ATTORNEY REPORT**

Mr. Floyd reported on the status of the proposed Ordinance. He stated he has not moved forward with the Ordinance change as of yet as the County has not yet approved the 8 year DROP. He believes that the issue of the 8 year DROP will be resolved by June 30<sup>th</sup>. He stated that if the County allows for the 8 year DROP extension, it will not require an Ordinance change. As soon as the County makes a final decision on the DROP extension, he would move forward with an Ordinance change to amend Section 16.02(a) to clarify that the firefighter Trustees can be active or retired firefighters in accordance with Chapter 175 of the Florida Statutes, to include the new name of the City, as well as

include the requirements of some recent legislation that took effect of January 1, 2023 related to the SECURE Act 2.0.

Mr. Floyd reviewed the analysis of utilization of legal services from January 1, 1998 through December 31, 2023. He stated that the average fees credited under the flat fee retainer agreement have exceeded the flat fees billed by a monthly average of \$92.83. A motion was made, seconded and carried 4-0 to accept the Attorney Report.

### **ADMINISTRATIVE REPORT**

Ms. Adcock presented a list of disbursements for approval. A motion was made, seconded and carried 4-0 to pay all of the listed disbursements.

Ms. Adcock reported that the comprehensive report that was required to be filed by House Bill 3 was filed prior to the December 15<sup>th</sup> deadline.

The Board was provided with certification from the Resource Centers that they successfully completed their SOC 1 Type 2 Audit and received a clean opinion as of September 30, 2023.

### **OTHER BUSINESS**

It was noted that an election was held for the position held by Steve Appleby. No one else submitted their name to run so Mr. Appleby was reelected to the Board for another term.

There being no further business, and the next meeting being scheduled, the meeting was adjourned.

Respectfully submitted,

James Nevad, Secretary