

LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND

MINUTES OF MEETING HELD

March 25, 2002

Rich Seamon called the meeting to order at 9:44 A.M. in the Conference Room at Station 1, Lake Worth, Florida. Those persons present were:

TRUSTEES

Rich Seamon
Mark Lamb
Sam Brandsma

OTHERS

Margie Adcock, Administrator
Larry Cole, Monitor

It was noted that James Shook had an excused absence. It was noted that George Schurter was not present.

ADDITIONS AND DELETIONS

Rich Seamon inquired about the 13th check for DROP Participants.

MINUTES

The Trustees discussed the minutes of February 4, 2002. A motion was made, seconded, and carried 3-0 to accept the minutes of February 4, 2002.

INVESTMENT MONITOR: MERRILL LYNCH

Larry Cole appeared before the Board to discuss the performance of the Fund for the period ending December 31, 2001. The total market value of the Fund as of December 31, 2001 was \$18,049,930. Mr. Cole noted that the quarterly earnings were \$917,323. The asset allocation was comprised of 52.2% in domestic equities; 6.1% in international equities; 38.2% in fixed income; and 3.4% in cash. The total market value for the Fund's portfolio with Sanford Bernstein as of December 31, 2002 was \$8,121,970. The total market value for the Fund's portfolio with Davis Hamilton as of December 31, 2002 was \$8,827,970.

The total Fund was up 5.4% for the quarter, while the benchmark was up 6.1%. He noted that the Fund was a little below target, while was due to Davis Hamilton having a rough quarter. He noted that there was no concern regarding Davis Hamilton, as there long-term numbers are still excellent. The domestic equity portion of the portfolio was up 9.9% for the quarter while the S&P 500 was up 10.7%. The international equity portion of the portfolio was up 8.4% while the EAFE was up only 7% for the quarter. Fixed income was down .1% for the quarter while the benchmark was up .1%. Davis Hamilton was up 5.6% for the quarter and Sanford Bernstein was up 4.7% for the quarter. The asset allocation for Davis Hamilton was comprised of 57.3% in equities; 40.5% in fixed income; and 2.2% in cash. The asset allocation for Sanford Bernstein was comprised of

53.8% in equities; 41% in fixed income; and 5.2% in cash. The total market value for the international equities as of December 31, 2002 was \$1,015,080.

Mr. Cole advised that Mike Callaway put together some information for the Trustees on small-mid cap equity managers. Mr. Cole noted that they were recommending that about 10% of the Fund's assets be put into small-mid cap stocks. It was determined that the Board would discuss this at the next meeting.

Mr. Cole then reviewed the Investment Policy checklist and noted that everything is in compliance. He advised that the Fund ranks number 56 in their Florida fund ranking which is a little below average for the year, but is fine when you look at the 3-4 year numbers.

ACTION: A motion was made, seconded and carried 3-0 to accept the Investment Monitor Report.

Larry Cole departed the meeting

ATTORNEY REPORT

Adam Levinson, who did not appear at the meeting as scheduled, was contacted via telephone to see if there were any issues the Board needed to be aware of.

TALLAHASSEE LEGISLATION

Mr. Levinson advised of the status of the legislation regarding premium taxes on hurricane and windstorm insurance. He noted that the legislation did not get passed. However, he did advised of another piece of legislation that affects closed plans. The Board was very interested in this piece of legislation and asked Mr. Levinson to report on this more fully at the next meeting.

DISCUSSION ON FINAL AVERAGE EARNINGS

Mr. Levinson reported that Bob Klausner and James Shook met with representatives of the City to discuss pensionable compensation. An Ordinance was drafted after the meeting and sent to the Actuary for a cost calculation.

ADMINISTRATIVE REPORT

13TH CHECK FOR DROP PARTICIPANTS

Margie Adcock reported that a DROP Participant contacted her to advise that he did not receive the 13th check that was issued in December. It was noted that there was not exclusion in the rules governing the 13th check for DROP Participants. Ms. Adcock advised that she has a call into Lyn at the City to see if this was an oversight or if they believe that DROP Participants do not receive a 13th check. It was determined that if this was more than an oversight, Ms. Adcock should consult with the Attorney to resolve this matter.

DROP STATEMENTS

Ms. Adcock reported that she met with the City to obtain information on the DROP accounts so as to begin to issue the DROP statements as directed by the Board at a previous meeting. She reported that the City was requiring the Board to acknowledge that they would still be sending DROP statements and that the City's numbers were the official numbers of the Fund. Ms. Adcock reported that because of their meeting with the City, they have not issued any DROP statements so as not to confuse any of the DROP Participants.

ACTION: Adam Levinson was directed to contact the City to determine what their objection is to having the Administrator issue the DROP statements.

Adam Levinson departed the meeting by telephone.

SALEM TRUST – AUTHORIZED SIGNORS

Ms. Adcock reported that there were only a couple of Trustees that were listed as authorized signors on the account with Salem Trust. She advised that when the City needs to transfer monies to pay for benefits or expenses of the Fund, they need to track down those that are listed. Ms. Adcock reported that in speaking with the City about this, it was determined that it would be easier on all parties if the Administrator was listed as an authorized signor.

ACTION: A motion was made, seconded and carried 3-0 to have the Administrator listed as an additional authorized signor with Salem Trust Company.

DISBURSEMENTS

Ms. Adcock presented a list of disbursements to be made. A motion was made, seconded and carried 3-0 to approve the disbursements listed.

OTHER BUSINESS

There being no further business and the next meeting scheduled for May 20, 2002 at 9:30 A.M., the meeting was adjourned at 11:15 P.M.

Respectfully submitted,

Mark Lamb, Secretary