

***LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND***  
**MINUTES OF MEETING HELD**  
**August 14, 2013**

The meeting was called to order at 9:15 A.M. in the Conference Room at Station 93, Lake Worth, Florida. Those persons present were:

**TRUSTEES**

Jimmy Shook  
Valerie Hurley  
Pat Highland  
Mark Lamb  
Rich Seamon

**OTHERS**

Margie Adcock, Administrator  
Adam Levinson, Attorney  
Tim Nash, Investment Monitor

**ADDITIONS AND DELETIONS**

There were no additions or deletions to the Agenda.

**MINUTES**

The Trustees reviewed the minutes of the meeting of May 16, 2013. A motion was made, seconded, and carried 5-0 to accept the minutes of the meeting of May 16, 2013.

**INVESTMENT MONITOR REPORT**

Tim Nash appeared before the Board. He discussed the market environment and reviewed the major market index performance as of June 30, 2013. He stated that the bond market has not been friendly and has generally been in negative territory for the past year. However, domestic equities have done very well. He noted that international equities were down for the quarter. He reviewed the performance as of June 30, 2013. The total market value as of June 30, 2013 was \$32,567,375. The asset allocation was comprised of 58.0% in domestic equities; 8.7% in international equities; 23.0% in fixed income; 5.1% in real estate; 4.9% in alternative investments; and .3% in cash. The Fund was up .55% net of fees for the quarter while the benchmark was down .16%. Total equities were up 1.43% while the benchmark was up 1.74%. Domestic equities were up 2.26% while the Russell 3000 was up 2.69%. International was down 3.85% while the benchmark was down 2.90%. Fixed income was down 1.72% while the benchmark was down 2.32%.

Mr. Nash provided a review on the individual managers. Cornerstone was up 3.64% while the Russell 1000 Value was up 3.20%. Wells was up 2.19% while the Russell 3000 Growth was up 2.19%. Brown was up 1.35% while the Russell 1000 Growth was up 2.06%. Advisory was down .24% while the Russell 2500 Value was up 1.54%. Mr. Nash stated that Advisory struggled for the quarter and for the fiscal year to date. However, he still likes them. Over a full market cycle they do a nice job. They do a good job protecting on the downside and he thinks that is important. Vanguard Developed was down 1.08% while the benchmark was down .73%. The Vanguard Emerging Market was down 8.41% while the benchmark was down 7.95%. With respect to fixed income, Garcia Hamilton was down 1.72% while the benchmark was down 2.32%. American

Realty was up 3.36% while the NCREIF was up 3.86%. Mr. Nash stated that Fund purchased the PIMCO All Asset Fund on the last day of the quarter. He noted that the PIMCO All Asset Fund had one of the worst quarters ever. The Fund missed all the down performance because the PIMCO All Asset Fund was not added to the portfolio until the very end of the quarter.

Mr. Nash stated that he would still recommend the Ordinance be changed to add global bonds. Mr. Levinson stated that he has made no progress with regard to any movement on the Ordinance. He stated that he was going to try to set up a face-to-face meeting with the City and Mr. Shook. He stated that the Board invited all of the City Commissioners to this meeting, and noted that no one showed up. There was discussion on adding to the real estate portfolio because it appeared that the Ordinance allowing global bonds was going nowhere. Mr. Nash stated that there was another real estate option that was more liquid that he would want the Board to consider rather than putting more money in the current real estate portfolio. He stated that the Fund currently has a 5% investment in real estate while the target is 10% so more money could be invested in real estate.

Mr. Nash reviewed the compliance checklist. He stated that he had no recommendation for change with the exception of continuing to try to get the passage of the proposed Ordinance that would allow for global bond investing.

Mr. Nash discussed the issues regarding the conversion of the system utilized by the Custodian. He stated that Salem Trust Company switched data vendors during the quarter that resulted in a challenging transition. He noted that due to the issues involved in the transition there has been a delay in the issuance of the custodial statements. As such, his performance report should be considered preliminary. He stated that he was not too concerned that the report would change much because the manager performance and cash matched.

## **ADMINISTRATIVE REPORT**

Ms. Adcock reported that Mark Lamb was re-elected for another term. She also stated that Rich Seamon's term as the 5<sup>th</sup> Trustee was due to expire on September 30, 2013. Mr. Seamon expressed an interest in remaining on the Board. It was noted that no one else has expressed any interest in serving on the Board. A motion was made, seconded and carried 4-0 to reappoint Rich Seamon to the Board as the 5<sup>th</sup> Trustee for another term.

The Board was presented with disbursements, including the investment manager disbursements. Mr. Levinson stated that there was a disbursement of \$4,500 for the Independent Medical Examination of Cathy Waldron by Dr. Wexler. He stated that one of the several doctors that Ms. Waldron previously saw was one that the Board has used before in conducting such an examination. He stated that they made a decision in his office not to use that doctor in order to get a true independent examination. He stated that Dr. Wexler came very well recommended. Mr. Levinson stated that he has provided Dr. Wexler with the medical records and Ms. Waldron is scheduled for the IME. The Board decided to schedule a special meeting for September 19, 2013 for the disability hearing of Cathy Waldron. A motion was made, seconded and carried 5-0 to pay the listed disbursements.

The Board reviewed the financial statement for the period ending June 30, 2013.

The Board was presented with a list of benefit approvals. A motion was made, seconded and carried 5-0 to approve the benefit approvals.

Ms. Adcock presented the engagement letter from Steve Gordon to do the audit for the fiscal year ending September 30, 2013. A motion was made, seconded, and passed 5-0 to approve the engagement letter from Steve Gordon to do the audit for the fiscal year ending September 30, 2013.

The Board was provided a Memorandum dated June 10, 2013 from the City regarding New Legislation and Filing Form 8B Memorandum of Voting Conflict, and a Rule that was received from the City on July 26, 2013 regarding participation of Board Members in via telephone.

### **ATTORNEY REPORT**

Mr. Levinson discussed the Legislative update. He discussed HB 1309 regarding a change in the law regarding public records. He stated that a new section was created requiring certain language to be put into any new contracts with service providers. He also discussed SB 50 regarding public participation at Board meetings. He stated that he would draft an Administrative Rule regarding public participation for the Board to consider.

Mr. Levinson noted that the State released the 175 premium tax monies. He stated that the 175 premium tax monies for Lake Worth decreased by almost 20% from last year. He stated that he sent an email to the State asking for the detailed premium tax report for Lake Worth. The State responded that pursuant to confidentiality agreement with the DMS and the DOR the information could only be disclosed to the government agency. Mr. Levinson stated that he sent an email to the City Attorney asking him to request the information.

Mr. Levinson reported on the status of the lawsuits. He stated that a hearing was set in October regarding a discovery issue concerning language in the Interrogatories. He stated that he might agree to what the City was requesting because it had no real consequence to the Board and because he wanted to avoid any unnecessary attorney fees that would be incurred with a hearing.

### **OTHER BUSINESS**

There being no further business, the Trustees adjourned the meeting.

Respectfully submitted,

Mark Lamb, Secretary