

***LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND***  
**MINUTES OF MEETING HELD**  
**June 6, 2016**

The meeting was called to order at 9:14 A.M. in the Conference Room at Station 91, Lake Worth, Florida. Those persons present were:

**TRUSTEES**

Mark Lamb  
Rory Kimbrell  
Rich Seamon  
Valerie Hurley

**OTHERS**

Margie Adcock, Administrator  
Adam Levinson, Attorney  
James Shook, Participant  
Tim Nash, Investment Monitor

**PUBLIC COMMENTS**

There were no public comments.

**PRESENTATION TO JAMES SHOOK AND PATRICIA HIGHLAND**

The Board presented James Shook with a plaque for his dedication and service as a Trustee on the Board. The Board expressed their sincere gratitude and appreciation for all of the hard work Mr. Shook provided to the Board and the Participants in the Plan. Mr. Shook accepted the plaque and thanked the Board for acknowledging him, noting that it was a privilege for him to serve on the Board. It was noted that Ms. Highland was unable to attend the meeting to accept her plaque and requested that it be mailed to her.

**ADDITIONS AND DELETIONS**

There were no additions or deletions.

**INVESTMENT MONITOR REPORT**

Tim Nash appeared before the Board via teleconference. He stated that his flight was cancelled so he was unable to be at the meeting in person. He discussed the market environment as of March 31, 2016. He reviewed the performance as of March 31, 2016. The total market value as of March 31, 2016 was \$37,744,434. He stated that the Fund is in line with the assets allocation. He stated that there is no need to rebalance, but did note that there have been some significant distributions that have gone out of the Fund.

Mr. Nash reviewed the individual managers. He stated that with respect to Wells, the large cap growth area struggled. He stated that health care hurt them during the quarter. They had a good rebound in April and May though and gained back about 4%. He stated that Brown did a nice job in the quarter. He reminded the Board that Cornerstone was terminated at the last meeting. He stated that they continued to struggle this quarter. International and real estate were the bright spots in the quarter. Garcia Hamilton continued to do well. Mr. Nash discussed the compliance checklist. He noted that as rates rise, and he thinks they will slowly rise over the next few years, there will be negative returns in the bond market. He thinks the Fund is still properly positioned from an asset

allocation standpoint and investment strategy standpoint. He stated that the Fund is on the low end of the range for US bonds compared to most funds. He thinks the Fund is protected to the extent it can be. He stated that they are looking at other investments that are not correlated to rising rates but that would give income.

The Board reviewed a letter from the prior Custodian Salem Trust Company regarding Class Action Lawsuit Processing. The letter provides that Salem Trust Company, as the prior Custodian, will file class action claims for any actions involving securities held by the Fund while they were the custodian and will charge a percentage of any amount recovered. It was noted that Regions Bank will only file class action claims on behalf of the Fund for any actions involving securities held by the Fund while they are the Custodian. Mr. Nash stated that it makes sense for Salem Trust to continue to file such actions. Mr. Levinson stated that he has no objection as well. It was noted that no action is needed at this time, noting that Salem will file such actions unless they receive a different direction from the Board.

Tim Nash departed the meeting.

### **ADMINISTRATIVE REPORT**

The Board was presented with disbursements, including the investment manager disbursements. A motion was made, seconded and carried 4-0 to pay the listed disbursements.

The Board reviewed the financial statements for the period ending April 30, 2016.

Ms. Adcock discussed the change in the DROP interest election that is effective October 1, 2016. She noted that historical investment data is on their website that Participants can access. She stated that they would be mailing an updated Election Earnings Method Form with the new investment options to the DROP Participants in August so they can make their new election by September 30, 2016. There was discussion regarding the administrative fee. It was noted that at the November 13, 2014 meeting the Board removed the administrative fee only for the DROP fixed accounts. With the new investment options, Ms. Adcock asked for direction on the administrative fee. There was a lengthy discussion. A motion was made, seconded and carried 4-0 to remove all administrative fees effective October 1, 2016 but reserve the right to reinstitute an administrative fee in the future.

### **ATTORNEY REPORT**

Mr. Levinson discussed a Memorandum dated April 28, 2016 regarding Upcoming Issues: Budget Review, Mutual Consent, and Public Records.

There was discussion on extending the DROP participation period. It was noted that Mr. Lamb met with the Mayor and City Manager and discussed the consequences of several DROP Participants that are scheduled to leave in September. It was noted that an extension of the DROP would benefit the City as well as the Participants. The Actuary prepared an actuarial study to determine the impact of extending the maximum DROP participation period from 7 years to 8 years. It was noted that the monthly payments

deposited into the DROP during the 8<sup>th</sup> year would not be credited with interest. The Board reviewed the impact letter dated April 11, 2016. It was noted that such a change would not impact the long-term cost of the Fund. Mr. Lamb stated that he met with Chief Collins and the Union regarding the matter. He stated that he has not received any feedback as of yet. Mr. Levinson stated that he sent a letter to Chief Collins on May 31, 2016. He stated that he does not want the Board to vote on the matter today because he would like to give time to receive Chief Collins' response, as well as that of the Union. However, it was noted that the Board needs a response as soon as possible. The Board decided to hold a special meeting on July 12, 2016 to decide whether or not to extend the maximum period in the DROP by one additional year.

Mr. Levinson provided an update on the Rayonier Class Action Litigation. The class action is for anyone that owned Rayonier during the period in question. He stated that the Fund is the lead plaintiff in this case. He stated that the Court entered an Order Denying Rayonier's Motion to Dismiss. As such, the case will move forward.

Mr. Levinson discussed the status of the two proposed Ordinances that are currently pending. He stated that there is nothing new to report. He will continue to have discussions over time with the City.

#### **OTHER BUSINESS**

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

Respectfully submitted,

Rory Kimbrell, Secretary