

LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND
MINUTES OF MEETING HELD
October 30, 2018

A meeting was held beginning at 9:00 A.M. in the Conference Room at Station 91, Lake Worth, Florida. Those persons present were:

TRUSTEES

Rich Seamon (9:05 A.M.)
Barry Ruf
Rory Kimbrell
Valerie Hurley

OTHERS

Margie Adcock, Administrator
Bonni Jensen, Attorney
Tim Nash, Investment Monitor

PUBLIC COMMENTS

There were no public comments.

ADDITIONS AND DELETIONS

There were no additions or deletions to the Agenda.

MINUTES

The Trustees reviewed the minutes of the meeting of August 28, 2018. A motion was made, seconded, and carried 3-0 to accept the minutes of the meeting of August 28, 2018.

INVESTMENT MONITOR REPORT

Tim Nash appeared before the Board. He discussed the market environment as of September 30, 2018. He stated that they expect a 5% correction three times in any given year. There was a significant correction in October 2018, with a lot of it in technology names.

Rich Seamon entered the meeting.

Mr. Nash stated that large cap outperformed small and mid-cap for the quarter. Growth outperformed value for the quarter and for the year. However, in some individual months value outperformed growth. He stated that the results were strong for the quarter. The fundamentals of the economy are strong. The trade negotiations with China broke down. That is the next big issue right now so hopefully that can be resolved. If it cannot be resolved, that will be problematic for the market.

Mr. Nash reviewed the performance as of September 30, 2018. The total market value as of September 30, 2018 was \$46,251,087. The asset allocation was comprised of 60.2% in domestic equities; 8.2% in international equities; 17.1% in fixed income; 9.2% in real estate; 4.2% in alternative investments; and 1.1% in cash. He stated that the Fund was in line with the Policy. The Fund was up 4.42% net of fees for the quarter while the benchmark was up 3.83%. Total equities were up 6.28% while the benchmark was up 5.85%. Domestic equities were up 7.32% while the benchmark was up 7.12%.

International was down .84% while the benchmark was up .80%. Fixed income was up .02% while the benchmark was up .02%.

Mr. Nash reviewed the individual managers. Cambiar was up 5.48% while the Russell 2500 Value was up 2.67%. Alger was up 7.60% while the Russell 1000 Growth was up 9.17%. Vanguard Total Stock Market was up 7.10% while the benchmark was up 7.08%. EuroPacific R6 was down .84% while the benchmark was up .80%. With respect to fixed income, Garcia Hamilton was up .02% while the benchmark was up .02%. American Realty was up 2.19% while the NCREIF was up 2.08%. Mr. Nash stated that there was virtually no damage to any property in the portfolio from the hurricanes. The PIMCO All Asset Fund was up .35% while the benchmark was down .42%. It was noted that Legg Mason Dynamic Large Cap Value was funded during the quarter. Mr. Nash stated that all in all it was a good year. He has no recommendation for any changes. Mr. Nash reviewed the compliance checklist. He reviewed the annual fees. The total management fees were .50% or \$233,469. Total management, custodial and consulting fees were .59% or \$274,510.

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 August 31, 2018.

The Board was presented with a list of benefit approvals. A motion was made, seconded and carried 4-0 to approve the benefit approvals.

The Board was provided with certification from the Resource Centers that they successfully completed their SSAE 16 SOC 1 Audit and received a clean opinion as of June 30, 2018.

Ms. Adcock reported on the status of the City's update of the premium tax database. The City stated that they were updating the database and would advise when it has been completed.

ATTORNEY REPORT

Ms. Jensen provided a Proposed Records Management Liaison Officer Resolution and Designation. She stated that the State requires the Board to designate a Records Management Liaison (RMLO). She stated that she drafted a Resolution that names the Resource Centers as the RMLO. She recommended that the Board adopt the RMLO Resolution to appoint the Resource Centers as the RMLO and adopt the State of Florida General Records Schedule GS1-SL for Local Government Agencies as the records retention schedule. A motion was made, seconded and carried 4-0 to adopt the RMLO Resolution to appoint the Resource Centers as the RMLO and adopt the State of Florida General Records Schedule GS1-SL for Local Government Agencies as the records retention schedule.

Ms. Jensen discussed an Amendment to the Florida Constitution that may affect decisions regarding victim rights. She stated that Amendment 6 changes the standard of review on

appeal. There is a deference level of review until the end of the year. The new standard is effective January 1, 2019 which is a de novo review, where the Court will substitute its judgement for the Board's. She stated that she thinks it will only affect the Board in areas where the Board is interpreting State law.

Ms. Jensen provided an updated Special Tax Notice. She stated that the IRS updated the Notice, which is a very informative document. It needs to be provided to members taking lump sum distributions, such as a refund or a DROP Distribution.

OTHER BUSINESS

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

Respectfully submitted,

Rory Kimbrell, Secretary