

***LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND***  
**MINUTES OF MEETING HELD**  
**May 27, 2021**

An electronic meeting was held beginning at 9:10 A.M. Those persons present were:

**TRUSTEES**

Rich Seamon  
Barry Ruf (9:12 A.M.)  
Rory Kimbrell  
Valerie Hurley

**OTHERS**

Margie Adcock, Administrator  
Adam Levinson, Attorney  
Jennifer Gainfort, Investment Monitor

**ADDITIONS AND DELETIONS**

There were no additions or deletions.

**MINUTES**

The Trustees reviewed the minutes of the meeting of March 9, 2021. A motion was made, seconded, and carried 3-0 to accept the minutes of the meeting of March 9, 2021.

Barry Ruf entered the meeting.

**INVESTMENT MONITOR REPORT**

Jennifer Gainfort appeared before the Board. She discussed the market environment. She stated that domestic equities continued to rally higher. The S&P 500 was up 6.2% for the quarter. Small cap lead the way being up 12.7%, with it being up almost 95% over the last year. As markets continue to broaden, investors are taking a little more of a risk mentality. It seems the darkest days of the pandemic are over. The vaccine rolled out faster than expected; there has been additional stimulus to hold up the economy; and the states are starting to reopen. International was also positive, surpassing global growth. Interest rates started to rise during the quarter, so bond prices began to fall. Bonds were slightly negative for the quarter. There was a rotation from growth to value from the last quarter which has continued through the quarter ending March 31, 2021. Energy was the strongest performing sector for the quarter. All in all there has been a fantastic recovery this past year. The markets have seen significant growth.

Ms. Gainfort reviewed the performance as of March 31, 2021. She stated that they were very pleased with the quarterly performance. The total market value as of March 31, 2021 was \$54,719,991. The asset allocation was comprised of 53.4% in domestic equities; 9.7% in international equities; 23.2% in fixed income; 7.7% in real estate; 4.4% in alternative investments; and 1.6% in cash. Ms. Gainfort noted that domestic equities were a little over the target, but well within the range. She thinks everything is in compliance. There are no recommendations to rebalance at this time.

The Fund was up 4.51% net of fees for the quarter while the benchmark was up 2.88%. Total equities were up 8.05% for the quarter while the benchmark was up 5.80%. Domestic equities were up 9.70% while the benchmark was up 6.35%. International was

down .43% while the benchmark was up 3.60%. Fixed income was down 3.30% while the benchmark was down 3.387%.

Ms. Gainfort reviewed the individual managers. Legg Mason Dynamic Large Cap Value was up 17.26% while the Russell 1000 Value was up 11.26%. Cambiar was up 16.66% while the Russell 2500 Value was up 16.83%. Alger was up 1.07% while the Russell 1000 Growth was up .94%. Vanguard Total Stock Market was up 6.43% while the benchmark was up 6.43%. EuroPacific R6 was down .43% while the benchmark was up 3.60%. With respect to fixed income, Garcia Hamilton was down 3.30% while the benchmark was down 3.38%. American Realty was up 1.87% while the NCREIF was up 2.25%. The PIMCO All Asset Fund was up 6.19% while the benchmark was up .06%.

There was discussion on inflation. As the economy is opening up, the supply is not keeping up with demand. Ms. Gainfort stated that she thinks this is temporary. She thinks as the year progresses there will be some normalization as supply and demand start to equal. She stated that most of it seems to be temporary and transitory in nature. Ms. Gainfort reviewed the compliance checklist. She stated that they had no recommendations for any changes at this time.

### **ADMINISTRATIVE REPORT**

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

The Board reviewed the financial statements for the period ending April 30, 2021.

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.

Ms. Adcock provided an update on the payment verification process that the Board approved last year. It was noted that the process was put on hold due to the pandemic. She advised that the process is now moving forward and provided the sample letters that were being mailed to the retirees.

### **ATTORNEY REPORT**

Mr. Levinson discussed the status of the proposed Ordinance regarding the firefighter cancer presumption and the SECURE Act. He noted that there were no changes to Chapters 175 or 112 this year. There was a proposal to close the FRS defined benefit plan for future new hires, but that did not pass. Mr. Levinson stated that he would now move forward with the proposed Ordinance regarding the firefighter cancer presumption and the SECURE Act.

Mr. Levinson provided a proposed Statement of Policy Regarding Contractual Provision for Investment Managers. He stated that this document has been provided to all of their clients. The purpose is for it to be used as a tool for the consultant to use during manager searches to make sure the candidates are comfortable with the Board's contractual requirements before bringing them to the Board for consideration. They believe it would be a useful tool in searches by saving time and energy in making sure the candidates

would agree to all matters necessary before they would be considered or invited to make a presentation. This Statement would only cover individual managers. He stated that the Statement was put together because a lot of the managers are not familiar with the Florida laws. He reviewed the Statement with the Board. Ms. Gainfort stated that she was fine with the Statement. A motion was made, seconded and carried 4-0 to adopt the Statement of Policy Regarding Contractual Provision for Investment Managers.

Mr. Levinson provided with an updated Portfolio Monitoring Agreement with BLBG. He discussed securities portfolio monitoring. He stated that the Board already has an agreement with BLBG, but they are just updating the agreement to formalize some Florida revisions and gain access to the custodial statements for Weltech. He noted that there was no cost to the Fund for these services provided by the securities monitoring firms. He recommended the Board approve the updated Portfolio Monitoring Agreement with BLBG. A motion was made, seconded and carried 4-0 to accept the updated Portfolio Monitoring Agreement with BLBG and authorize the Chair to execute the necessary documents.

The Board was reminded to file their Form 1 Financial Disclosure by July 1, 2021.

Mr. Levinson discussed the meetings of the Board. He discussed the need for a physical quorum in a room at the City. He noted that for this meeting the City had a conflict with the Chambers that the Board had previously reserved. The first floor conference room at City Hall was also not available. He stated that the Board has always complied with the Sunshine Law requirements. This is an issue of quorum requirements. He noted that there is a difference of opinion among the attorneys regarding this issue. The Board decided that they would attempt to have a quorum of Trustees in attendance at the Fire Station conference room and have the service providers appear electronically.

### **PUBLIC COMMENTS**

There were no public comments.

### **OTHER BUSINESS**

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

Respectfully submitted,

Rory Kimbrell, Secretary