

***LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND***  
**MINUTES OF MEETING HELD**  
**August 5, 2021**

An electronic meeting was held beginning at 9:13 A.M. Those persons present were:

**TRUSTEES**

Rich Seamon  
Barry Ruf  
Rory Kimbrell  
Valerie Hurley (9:16 A.M.)

**OTHERS**

Margie Adcock, Administrator  
Adam Levinson, Attorney  
Dave West, Investment Monitor

Adam Levinson stated that the Board tried to schedule an in-person meeting but they were unable to get an in-person quorum. He stated that his office is fine with having this electronic meeting under the circumstances. He stated that at the next meeting the Agenda should include the ratification of any actions taken. He stated that the Board is still in compliance with the Sunshine Law for the meeting today.

**ADDITIONS AND DELETIONS**

There were no additions or deletions.

**MINUTES**

The Trustees reviewed the minutes of the meeting of May 27, 2021. A motion was made, seconded, and carried 3-0 to accept the minutes of the meeting of May 27, 2021.

Valerie Hurley entered the meeting.

**INVESTMENT MONITOR REPORT**

Dave West appeared before the Board. He discussed the market environment. He stated that the market has been robust. It has had the shortest recession in history. The Fed is on hold in raising rates. It is keeping stimulus in place. The asset growth has been voluminous with a 101.99% cumulative return. There has been some rotation in the equity markets. Mr. West stated that there are concerns that things may stall a bit going forward. One concern is with inflation and the global supply disruption. There is also a disconnect between the jobs available and the employers being able to fill the positions. There is still more attraction to stay at home than go to work. Another concern is that they saw a rotation in the quarter back to more defensive stocks. International performed well but not as well as domestic. Interest rates have come down a bit.

Mr. West reviewed the performance as of June 30, 2021. The total market value as of June 30, 2021 was \$58,045,109. The asset allocation was comprised of 53.8% in domestic equities; 10.2% in international equities; 22.9% in fixed income; 7.4% in real estate; 4.4% in alternative investments; and 1.2% in cash. Mr. West stated that the overweight in domestic equities helped in the quarter but they want to get the portfolio back within the targets. As such, he was recommending rebalancing 4% from domestic

equities to domestic fixed income. He stated that he would recommend taking the money from the Vanguard Total Stock Fund. He noted that in the event of a major disruption between now and the end of the fiscal year, the downside of bonds is much less than a disruption in the equity markets, which is why they were recommending parking the profits in fixed income now. A motion was made, seconded and carried 4-0 to rebalance the domestic equity allocation back to the long-term policy targets and selling 4% of the Vanguard Total Stock Fund and allocate it to Garcia Hamilton.

The Fund was up 5.49% net of fees for the quarter while the benchmark was up 5.70%. Total equities were up 7.31% for the quarter while the benchmark was up 7.73%. Domestic equities were up 7.37% while the benchmark was up 8.24%. International was up 6.96% while the benchmark was up 5.64%. Fixed income was up 1.34% while the benchmark was up 1.83%.

Mr. West reviewed the individual managers. Legg Mason Dynamic Large Cap Value was up 4.93% while the Russell 1000 Value was up 5.21%. Cambiar was up 4.96% while the Russell 2500 Value was up 5.00%. Alger was up 11.03% while the Russell 1000 Growth was up 11.93%. Vanguard Total Stock Market was up 8.24% while the benchmark was up 8.29%. EuroPacific R6 was up 6.96% while the benchmark was up 5.64%. With respect to fixed income, Garcia Hamilton was up 1.34% while the benchmark was up 1.83%. American Realty was up 4.03% while the NCREIF was up 4.39%. The PIMCO All Asset Fund was up 6.09% while the benchmark was up 2.30%. Mr. West stated that there has been really nice performance here. Everything is working very well together.

Dave West departed the meeting.

### **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 June 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 presented a draft administrative expense budget for fiscal year 2022 that is required by Section 175.061(8)(a)2, Florida Statutes. The Board reviewed the draft budget. There was a lengthy discussion. A motion was made, seconded and carried 4-0 to adopt the administrative expense budget and provide the budget to the City in compliance with Section 175.061(8)(a)2, Florida Statutes.

The Board was presented with the engagement letter for the audit for the fiscal year ending September 30, 2021. A motion was made, seconded and carried 4-0 to approve the engagement letter for the audit for the fiscal year ending September 30, 2021.

Ms. Adcock provided and update on the payment verification process that the Board approved last year. It was noted that letters were mailed to the retirees. She advised that they received the verification affidavits back from everyone in the Fund.

Ms. Adcock provided the Board with certification from the Resource Centers that they successfully completed their SSAE 16 SOC 1 Audit as of June 30, 2021.

### **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. Mr. Levinson stated that he has not yet moved forward with providing the proposed Ordinance to the City, but would do so after this meeting.

The Board was reminded to file their Form 1 Financial Disclosure, noting that there is still a grace period within which to file.

### **PUBLIC COMMENTS**

There were no public comments.

### **OTHER BUSINESS**

It was noted that the term of the 5<sup>th</sup> Trustee held by Rich Seamon is set to expire on September 30, 2021. A motion was made, seconded and passed 3-0 to reappoint Rich Seamon as the 5<sup>th</sup> Trustee.

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

Respectfully submitted,

Rory Kimbrell, Secretary