

**LAKE WALES FIREFIGHTERS' RETIREMENT PLAN**  
**PENSION BOARD MEETING MINUTES**  
**January 28, 2019 - 1:00 P.M.**

**1. Call to Order and Roll Call**

The Chair, Roy Wilkinson, called the meeting to order at 1:05 p.m. The following members were present: Dennis Childress, Brian Patterson, and Caleb Simpson. The following service providers were present: Pedro Herrera, Attorney; Steve Stack, Investment Manager; Frank Wan, investment consultant; Patrick Donlan, Actuary; Susy Pita, Plan Administrator; and Mark Rhein and Debbie Kocsis from Salem Trust

**2 Approval of Minutes**

A motion was made by Brian Patterson to approve the minutes from the regular meeting held October 22, 2018 and the Special Meeting held on October 22, 2018. Seconded by Caleb Simpson, the motion carried unanimously.

**3 Approval of Disbursements**

A motion was made by Dennis Childress to approve the disbursement report as presented. Seconded by Caleb Simpson, the motion carried unanimously.

**4 Actuarial Valuation Report as of October 1, 2018**

Patrick Donlan presented the Actuarial Valuation Report as of October 1, 2018. Following some discussion, a motion was made by Dennis Childress to approve the AVR as presented. Seconded by Caleb Simpson, the motion carried unanimously.

The investment Consultant and the investment Manager then led a discussion regarding the annual Declaration of Returns. Following input from the investment professionals, attorney, and the Trustees, a motion was made by Brian Patterson to submit the annual letter to the Division of Retirement stating that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.75%, net of investment expenses. Seconded by Caleb Simpson, the motion carried unanimously.

**5 Investment Manager's Report**

Steve Stack presented the Highland Capital portfolio results for the quarter ending December 31, 2018. Ending Market Value was \$7,484,974 the annualized 5-year return was 4.45%.

**6 Investment Consultant's Report**

Frank Wan, of Burgess Chambers & Associates, reviewed the consulting report for the quarter ending December 31, 2018. The asset allocation for the period at Market Value was: Domestic Equity - \$4,062,331, International Equity - \$637,548, Global Fixed Income - \$3,107,503, and Global Cash - \$398,846. Ending market value was \$8,206,226. Frank then confirmed that the Plan does not have any investments with scrutinized companies and that they are also in compliance with PFIA.

Frank continued his report by handing out and reviewing his evaluation of the Plan's past performance and recommend opportunities for improvement. Following a lengthy discussion, a motion was made by Caleb Simpson to fund a 10% allocation to American Realty (in order to better diversify the portfolio) pending the review and approval of the Contractual Agreement by the Pension Board Attorney. Seconded by Dennis Childress, the motion carried unanimously.

Frank then handed out and reviewed the updated Investment Policy Statement. Following the review and a lengthy discussion, a motion was made by Dennis Childress to approve of the updated Investment Policy Statement pending a few minor corrections and one final review by

the Attorney and Investment Consultant. Seconded by Caleb Simpson, the motion carried unanimously. The final PS will be sent to the Plan Administrator who will coordinate the signatures and distribute to all necessary parties.

Frank concluded his report by informing the Trustees that he will be prepared to discuss the Growth and International asset allocations at the April meeting.

#### 7. Custodian's Report

Mark Rhein and Debbie Kocsis presented the Salem Trust report and provided the Trustees with an update on the transfer of assets from Wells Fargo. They expect that the final transfers will be completed this week and they will work with Frank and Steve to finalize the details. The Chairman and a few of the other Trustees requested on-line access to the Salem Trust statements. Debbie indicated that she will take care of setting them up.

#### Attorney's Report

Pedro provided his report throughout the meeting under the agenda items requiring his input.

#### Old Business

There was none.

#### . New Business

The Actuary led a discussion regarding the Cap Provision Policy & Procedures. Following a very lengthy discussion, which included input from the Attorney, Administrator, the Trustees and members who are close to their cap, the following motion was made by Brian Patterson: Members who are approaching their \$7,000 cap will be entitled to receive a calculation to determine the date they will achieve their cap. The calculation information will include a refund of member contributions which will be calculated at the rate of pay the member was receiving when they reached the cap and it will also include interest at the Plan's assumed rate of return when they reached their cap. The Actuary will begin to include a notation on the Member's Annual Benefit Statements to alert them if they are nearing their cap date.

Seconded by Caleb Simpson, the motion carried unanimously .

#### Public Comments

There were none.

#### Next Meeting Date

The next regular meeting will be on Monday, April 22, 2019 at 1:00 p.m.

#### Adjournment

The meeting ended at 4:30 p.m.

For the Board:

