

# City of Boynton Beach Municipal Firefighters Pension Trust Fund

## MINUTES

August 7, 2019

9:00 A.M.

The workshop meeting of the Board of Trustees of the City of Boynton Beach Municipal Firefighters' Pension Trust Fund was called to order by the Board by Mr. Matt Petty – Chairman on August 7, 2019 at 9:02 A.M. at 2080 High Ridge Road, Boynton Beach, Florida.

### **TRUSTEES PRESENT:**

Mr. Matt Petty – Chairman; Mr. Jon Raybuck – Secretary. Also present was Mr. Glenn Joseph - Ex-Officio.

### **ABSENT:**

Mr. Stan Cale – Trustee; Mr. Robert Taylor – Trustee & Ms. Desirae Watler - Trustee.

### **OTHERS PRESENT:**

Mr. Adam Levinson, Board Attorney – Klausner, Kaufman, Jensen and Levinson; Mr. David West – AndCo Consulting; Mr. Pete Strong, Board Actuary - GRS Retirement Consulting; Mr. Dave Williams, Plan Administrator; Mr. Shawn Weeks & Other Members. Mr. Richard Cristini and Ms. Jeanine Bitteringer attended telephonically.

It should be noted that there was not a quorum for the Board to have an official meeting.

### **PUBLIC DISCUSSION:**

None

### **CONSENT AGENDA:**

### **APPROVAL OF THE MINUTES:**

Minutes of May 1, 209 and May 28, 2019 were tabled.

### **APPROVAL OF THE WARRANTS:**

Warrants 183 through 209 were tabled.

### **NEW / UNFINISHED BUSINESS:**

- INDEPENDENT AUDITOR UPDATE – Saltmarsh, Cleveland & Gund, P.A.  
Mr. Richard Cristini & Ms. Jeanine Bitteringer called telephonically to discuss a change in CPA firms. Ms. Bitteringer advised the Board that they have joined the firm of Saltmarsh, Cleveland & Gund, P.A. Ms. Bitteringer advised the personnel and the staff would remain unchanged. As the new firm is larger than the prior firm, she reflected upon the additional resources that she can call upon. A letter of engagement was reviewed by Mr. Levinson and accepted for legal compliance. Matter tabled due to a lack of a quorum. Engagement will be considered at the next meeting.

### **ATTORNEY'S REPORT:**

Mr. Levinson reviewed a cyber memorandum.

Mr. Levinson provided a brief update on the Sidaway Matter. A special meeting will be called in short order.

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**INVESTMENT MONITOR'S REPORT:**

Mr. West advised that on June 30, 2019 the Fund's value was \$122,232,685.00, up from \$119,828,561.00 of June 30, 2019. Market Review: Broad asset class returns were positive during the 2nd quarter of 2019 with both equity and fixed income indices extending their year-to-date gains. US stocks outperformed international stocks during a very volatile quarter. Equity indices rose to start the period as progress in global trade negotiations outweighed signs of weakness in macroeconomic data. However, trade discussions between the US and China fell apart in May prompting increased tariffs and sharp declines in equity markets. The softening in economic data, stubbornly low inflation and the threat of slower future growth caused by ongoing disruption in trade led the Federal Reserve (Fed) to communicate a shift toward a more accommodative policy stance. This change in central bank posture caused market store bound strongly, ending the quarter higher for the period. Fixed income returns were also positive during the quarter as the prospect of more accommodative monetary policy pushed interest rates lower, increasing bond prices. Within domestic equity markets, large cap stocks outperformed small cap equities during the quarter with the S&P500 Index returning 4.3% versus a 2.1% return on the small cap Russell 2000 Index. US equity returns over the 1-year period were positive within large and mid-cap stocks, returning 10.4% and 7.8% respectively, but small cap stocks posted a loss, falling -3.3%.

Mr. West reported to the Board the following investment report for the portfolio:

**RETURN PERIODS**

| <b><u>NAME</u></b> | <b><u>Quarter</u></b> | <b><u>Fiscal Year</u></b> | <b><u>1-Year</u></b> | <b><u>3-Year</u></b> | <b><u>5-Year</u></b> |
|--------------------|-----------------------|---------------------------|----------------------|----------------------|----------------------|
| Total Fund Net     | 3.85%                 | 4.99%                     | 8.50%                | 10.44%               | 7.60%                |
| Benchmark          | 3.37%                 | 3.75%                     | 7.33%                | 9.30%                | 6.84%                |

Mr. West reflected the portfolio return for the fiscal year to date is in the Top 6 percentile of the investment universe.

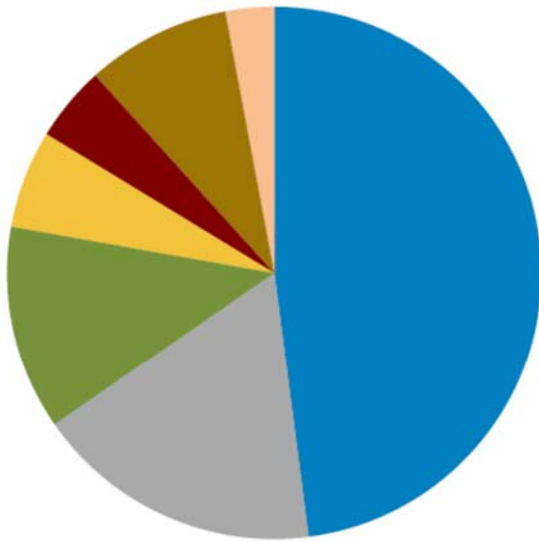
Mr. West advised that the incoming state funds (Chapter 175) will be invested based on the portfolio allocation. Any adjustments/recommendations will follow during the next regular meeting.

Asset Allocation and Manager Allocation as reported as follows:

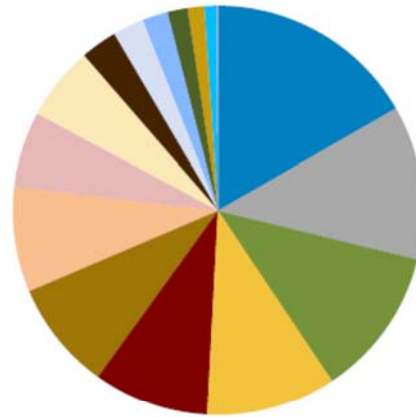
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Asset Allocation By Segment as of  
 June 30, 2019 : \$122,232,685



Asset Allocation By Manager as of  
 June 30, 2019 : \$122,232,685



| Allocation                               | Market Value | Allocation |
|--|--------------|------------|
| DSM Large Cap Growth                     | 20,424,415   | 16.7       |
| Vanguard 500 Index Admiral (VFIAX)       | 14,809,051   | 12.1       |
| Anchor All Cap Value Equity              | 14,435,413   | 11.8       |
| Schroders Core Fixed Income              | 12,471,860   | 10.2       |
| American Funds EuroPacific Gr R6 (RERGX) | 11,122,758   | 9.1        |
| Vanguard Mid-Cap Index Fund (VMCIX)      | 10,550,888   | 8.6        |
| WCM International Growth Fund (WCMIX)    | 10,127,142   | 8.3        |
| PIMCO Diversified Income Fund (PDIIX)    | 7,272,311    | 5.9        |
| Intercontinental                         | 7,151,991    | 5.9        |
| ASB RE                                   | 3,530,942    | 2.9        |
| Schroders TIPS                           | 3,006,663    | 2.5        |
| Crescent Direct Lending Levered Fund     | 2,463,471    | 2.0        |
| Crescent Direct Lending Levered Fund II  | 1,941,140    | 1.6        |
| Receipt & Disbursement                   | 1,607,899    | 1.3        |
| LBC Credit Partners III                  | 1,197,463    | 1.0        |
| Mutual Fund Cash                         | 119,277      | 0.1        |

| Allocation            | Market Value | Allocation |
|-----------------------|--------------|------------|
| Domestic Equity       | 58,610,460   | 47.9       |
| International Equity  | 21,249,900   | 17.4       |
| Domestic Fixed Income | 15,234,910   | 12.5       |
| Global Fixed Income   | 7,249,712    | 5.9        |
| Other Fixed Income    | 5,602,074    | 4.6        |
| Real Estate           | 10,682,932   | 8.7        |
| Cash                  | 3,602,696    | 2.9        |

In a spirit of transparency, the Board of Trustees has posted the entire investment review on-line at:  
[http://www.wpbppf.com/docs/investments/WPBPPF\\_Report\\_2019\\_Q2.pdf#zoom=100](http://www.wpbppf.com/docs/investments/WPBPPF_Report_2019_Q2.pdf#zoom=100)

**PLAN ADMINISTRATOR:**

Insurance Coverage<sup>1</sup> was discussed – tabled due to lack of a quorum.

Trustees asked for actuarial back up for recent DROP entries.

Mr. Williams confirmed that Mr. Strong researched and advised the city is not responsible for any cost of the COLA. Mr. Petty asked his findings to be placed in writing.

Administrative Budget presented to the Board to consider. Matter was tabled as there was no quorum.

**OPEN DISCUSSION:**

Special meeting requested – September. Mr. Williams will coordinate.

<sup>1</sup> Noted by Mr. Levinson in his presentation.

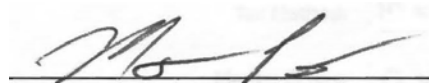
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**ADJOURN:**

Workshop adjourned at 10:10 A.M.

A handwritten signature in black ink, appearing to read "Matt Petty", is written over a horizontal line.

Matt Petty, Chairman

***FOR THE BOARD***