



Firefighters' Relief and Pension Fund

Samuel A. Horton, Chairman

Jeff Wilmoth, Secretary

Joseph McCombs, Trustee

Veronica Dias, Trustee

Jerri Barnes, Trustee

**MINUTES OF THE MEETING
FIRE PENSION BOARD
FEBRUARY 13, 2019**

The trustees of the City of Pensacola Firefighters Pension Fund met this date.

Members Present:

Samuel A. Horton, Chairman

Jeff Wilmoth

Joseph McCombs

Members Absent:

Veronica Dias

Jerri Barnes

Others Present:

Gary Leuchtman, Attorney, Law Office of Gary B. Leuchtman, PLLC

Kurt Wood, DePrince, Race & Zollo

Jason Palma, DePrince, Race & Zollo

Larry Cole, Burgess Chambers & Associates

David Kaplan, Baron Capital Management

Richard Wells, Wedge Capital Management

Tracy Musser, Thompson, Siegel & Walmsley, LLC

Ron Lanier, UBS

Ericka Burnett, City Clerk

Nikki Morgan, Regions Bank

Richard Barker, Jr., Plan Administrator

Cheryl Jackson, Payroll and Retirement Manager

Alexandra Daily, Assistant to the Chief Financial Officer

Chairman Horton called the meeting to order at 2:02 p.m. Chairman Horton stated there was a quorum present.

Ms. Burnett was in attendance to swear in Joseph McCombs and did so.

Mr. Wilmoth made a motion to approve the minutes of the January 9, 2019 meeting. Mr. McCombs seconded the motion and it passed unanimously.

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Mr. David Kaplan with Baron Capital Management addressed the Board and provided a review of the quarterly performance of the portfolio for the period ending December 31, 2018. He stated the portfolio had a negative 18.49% rate of return (net of fees) for the quarter ending December 31, 2018. The one year return for the period ending on December 31st was negative 2.66% (net of fees) and the three year return for the period ending on December 31st was 9.98% (net of fees). The total value of the fund as December 31, 2018 was \$6,300,000.

The report from Baron Capital management is on file.

Mr. Kurt Wood and Mr. Jason Palma with DePrince, Race & Zollo addressed the Board and reviewed the Small Cap Value quarterly performance for the period ending December 31, 2018. Mr. Palma provided an overview of the firm, its philosophy, and characteristics. Mr. Wood followed with the report on the Small Cap Value portfolio performance. He stated the total value of the Small Cap Value Portfolio as of December 31, 2018, was \$5,389,138 with a negative 15.69% rate of return for the quarter ending December 31, 2018. The one year return for the period ending on December 31st was negative 12.79% and the three year return for the period ending on that date was 11.32%.

The report from DePrince, Race & Zollo is on file.

Ms. Tracy Musser with Thompson, Siegel & Walmsley addressed the Board to review the quarterly performance of the Small-Mid Cap account. Ms. Musser stated the total return for the portfolio for the quarter ending December 31, 2018 was negative 14.27% net of fees. The one year return for the period ending December 31, 2018 was negative 16.01% net of fees. The total value of the portfolio as of December 31, 2018 was \$6,175,824.

The report from Thompson, Siegel & Walmsley is on file.

Mr. Richard Wells with Wedge Capital Management addressed the Board to review the quarterly performance of the Large Cap Value account for the period ending December 31, 2018. Mr. Wells stated the total return for the portfolio for the quarter ending December 31, 2018 was negative 16.82% net of fees. The one year return for the period ending December 31, 2018 was negative 15.01%. The total value of the portfolio as of December 31, 2018 was \$5,093,497.

The report from Wedge Capital management is on file.

Mr. Ron Lanier with UBS addressed the Board and provided a review of the performance of the UBS Real Estate Investment Fund ("TPF") for the period ending December 31, 2018. Mr. Lanier stated the total return for the TPF fund for the one year period ending December 31, 2018 was 6.99% gross of fees. The return for three year period ending on December 31st was 6.83% and for five period year ending December 31st was 8.99% all gross of fees. The total value of the portfolio as of December 31, 2018 was \$8,099,000.

The report from UBS is on file

Nikki Morgan with Regions Bank reviewed its custody services. She gave an update on the custody list and authorized signers. Ms. Morgan also reviewed Regions Bank's GlobalTax Services with the Police Pension Board.

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After some discussion, Mr. Wilmoth made a motion that the Fire Pension Board use the services of GlobalTax for purposes of recovery of foreign dividends and tax credits as proposed by Ms. Morgan of Regions Bank. Mr. McCombs seconded the motion and it passed unanimously.

Mr. Larry Cole with Burgess Chambers & Associates reviewed the quarterly performance for the Fund for the period ending December 31, 2018. He stated the total value of the Fund as of December 31, 2018 was \$112,294,966.00 with a net return of negative 9.2% for the quarter and a net return of negative 4.2% for one year ending on December 31st. The three year return was 5.5% (net of fees) for the period ending on December 31, 2018.

Mr. Wilmoth made a motion to approve payment of invoices for money management fees for the period ending December 31, 2018 for the following:

- Advent Capital Management, LLC in the amount of \$13,708.78
- Ceredex Value Advisors in the amount of \$14,986.07
- DePrince, Race & Zollo in the amount of \$12,126.00
- Garcia Hamilton & Associates in the amount of \$5,822.65
- Integrity Fixed Income, Inc. in the amount of \$11,377.20
- Polen Capital in the amount \$17,501.55
- Salient in the amount of \$3,775.70
- Sawgrass in the amount of \$10,202.93
- SSI Investment Management in the amount of \$12,717.00
- Westwood Trust in the amount of \$4,714.22
- Burgess Chambers & Associates, Inc. in the amount of \$12,500.00

Mr. Walters seconded the motion and it passed unanimously.

Mr. Wilmoth made a motion to approve the Lump Sum Distribution for Victor Lynn Williams. Mr. McCombs seconded the motion and it passed unanimously.

The following information items were noted:

- Statement of Changes to Cash Balances for December, 2018 and January, 2019
- Correspondence from Integrity Fixed Income Management, LLC
- Correspondence from Florida Division of Retirement

There being no further business to come before the Board, the meeting was adjourned at 4:01 p.m.



Richard Barker, Jr.
Plan Administrator