

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
SEPTEMBER 5, 2013

Secretary Brian Walker called the meeting to order at 1:31 P.M. in the Third Floor Conference Room at Station 1; 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

TRUSTEES

Dave Merrell, Chair
Brian Walker, Secretary
Guy Montante
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, The Law Offices of Perry & Jensen
Troy Brown, The Bogdahn Group
Carlos Cabrera, City of WPB Firefighter (Chief)
Rick Roberts, City of WPB Firefighters (retired)
Rick Dorey, City of WPB Firefighter (retired)

PUBLIC COMMENTS

Chief Cabrera explained that he was contacted by a couple of recent new hires who are stating that they are receiving collection notices mailed to their residents due to unpaid medical bills. These medical bills are due to the new hire physicals and tests that the City requires, and therefore should be mailed to and paid by the City. Ms. Ross commented that she was just recently forwarded from the City some collection notices for some of the other new hires as well. She explained that she contacted the City regarding the notices and was inquiring about the original invoices and where they were located. Mr. Ross did not receive a clear answer from the City and stated that she will pay the outstanding invoices anyways, but in the future we need to get this process straightened out so that something like this situation does not occur again. The collection notices are being sent to the individual members at their residence and not to the City. If some of the tests that are being performed are the ones that are required by the Pension board, then the City needs to make sure they are forwarding these invoices along to the pension board within a timely manner so that they can be paid and not sent to collections. Mr. Cabrera agreed and stated that he will have a conversation with the City regarding the process of the billing for the new hire test.

SELECTION OF CHAIRMAN & SECRETARY

A motion was made by Brian Walker to nominate Dave Merrell as Chairman. The motion was seconded by Ron Frano and carried 4-0.

Mr. Merrell accepted the nomination as Chairman.

A motion was made by Brian Walker to elect Dave Merrell Chairman. The motion was seconded by Ron Frano and carried 4-0.

A motion was made by Dave Merrell to nominate Brian Walker as Secretary. The motion was seconded by Ron Frano and carried 4-0.

Mr. Walker accepted the nomination as Secretary.

A motion was made by Dave Merrell to elect Brian Walker as Secretary. The motion was seconded by Ron Frano and carried 4-0.

REPORT: THE BOGDAHNS GROUP (PRESENTED BY TROY BROWN INVESTMENT CONSULTANT)

Mr. Brown commented that August was not a great month but they were still positive at 1.6%. For the fiscal year to date they are still ahead of their assumed rate of return at 11.2%. He reviewed the market environment and noted that the interest rates are changing and the unemployment numbers come out tomorrow. Mr. Brown stated that he is disappointed with Abby for the quarter because as they are down at -6.5%. The Trustees asked the Mr. Brown invite Abby Capital to the next meeting to discuss their performance. Mr. Brown concurred and noted that he will send them an invite for the October meeting.

Mr. Brown reviewed the history of the Fayeze portfolio and commented that they have not failed the 3 criteria's that would put them on watch, but their performance has been a little disappointing lately. He compared Fayeze's and Brown's performance and the difference between their strategies. Mr. Brown reminded the Trustees that they hired Brown to compliment Fayeze and the two managers have worked together well and have complimented each others style. Mr. Brown went back 16 years and did some research on comparing Fayeze and Brown. Fayeze has great down side protection, they also need to somewhat outperform in an up market as well. Last time it took Fayeze a 9 year period to start outperforming the Russell 1000 after a down market. Mr. Brown explained that at the last meeting he was going to do a manager search to replace Fayeze, but after all the research he put together on them he has now changed his recommendation. Mr. Brown commented that he would like the board to stay with Fayeze now because they are great downside protection for the portfolio and they are also the lowest flat fee manager. Also he noted that the plan would be a lot more volatile if they only had Brown and not Fayeze.

The Trustees had a brief discussion on the downside protection. Mr. Brown stated that a small amount of downside protection (such as Fayeze) is good for the portfolio, but you don't want to have a lot or too much because you want your money to go to work and be invested and not sitting on the sidelines.

Mr. Brown noted that the State money was received in and it was sent to the Templeton Global Bond fund for investment.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on June 6, 2013, the special meeting held on July 2, 2013, and the regular meeting held on August 15, 2013.

A motion was made by Dave Merrell to approve the minutes of the regular meeting held on June 6, 2013. The motion was seconded by Ron Frano and carried 4-0.

A motion was made by Ron Frano to approve the minutes of the special meeting held on July 2, 2013. The motion was seconded by Dave Merrell and carried 4-0.

A motion was made by Dave Merrell to approve the minutes of the regular meeting held on August 15, 2013. The motion was seconded by Ron Frano and carried 4-0.

DISBURSEMENTS

The Board reviewed the disbursements presented for approval by the Administrator.

A motion was made by Ron Frano to approve the disbursements that were presented by the Administrator. The motion was seconded by Dave Merrell and carried 4-0.

BENEFIT APPROVALS

The Board reviewed the applications for retirement for Mark Pignato and Mike Carsillo; the application for distribution of Share account due to retirement for Stephen Fischer; the application for distribution of DROP account due to retirement for Mark Pignato; the applications for distribution of Share account for October 1, 2013 for Eric Rusinko, Glenn Hetchler, Kerry Heath, Mark Yates, and Robin Beans; the applications for distribution of DROP account for October 1, 2013 for George Hannah, George May, Kevin Green, Marc Leatherwood, Mark Yates, Robert Henderson, Thomas Foster, Walter Barndt, and William Cejmer.

A motion was made by Dave Merrell to approve the applications for retirement for Mark Pignato and Mike Carsillo . The motion was seconded by Ron Frano and carried 4-0.

A motion was made by Dave Merrell to approve the application for distribution from Share account due to retirement for Stephen Fischer. The motion was seconded by Ron Frano and carried 4-0.

A motion was made by Ron Frano to approve the application for distribution of DROP account due to retirement for Mark Pignato. The motion was seconded by Dave Merrell and carried 4-0.

A motion was made by Dave Merrell to approve the applications for distribution of share account on October 1, 2013 for Eric Rusinko, Glenn Hetchler, Kerry Heath, Mark Yates, and Robin Beans. The motion was seconded by Ron Frano and carried 4-0.

A motion was made by Dave Merrell to approve the applications for distribution of DROP account on October 1, 2013 for George Hannah, George May, Kevin Green, Marc Leatherwood, Mark Yates, Robert Henderson, Thomas Foster, Walter Barndt, and William Cejmer. The motion was seconded by Ron Frano and carried 4-0.

REPORTING OF PLAN FINANCIALS

Ms. Ross commented that the Salem Trust custodial statements for the months of June and July have not been issued yet. She explained that Salem Trust went through a system conversion towards the end of May and there were many glitches and errors that occurred during the transition. This has delayed the processing of the custodial statements. Ms. Ross stated that Salem does send out regular correspondence updating their clients on the process and they also notified boards that they did hire a third party "crisis team" to help them resolve their issues. Currently Salem is predicting that the June statements will be released within the next couple of weeks, but with it already being September Ms. Ross notified the

board that the delay in producing the statements could also delay the plans audit for the fiscal year ending September 30, 2013. The Trustees had a lengthy discussion on this issue and discussed what other options they may have at this point. Ms. Jensen commented that there is nothing they can do for this fiscal year as it is almost over, but they can look at other alternatives for the fiscal year beginning October 1, 2013 if they so wish to. The Trustees stated that they would like to issue a request for quotes to the other custodians. The board would like to be prepared for the worst and if something were to happen or if Salem does not stick to their timeline as issued, then they will be prepared to move ahead if needed.

A motion was made by Dave Merrell to authorize and direct Ms. Jensen to send out a request for quote for Custodian. The motion was seconded by Ron Frano and carried 4-0.

In the meantime Mr. Brown stated that he will contact Salem Trust and inquire about a fee reduction due to the conversion issues and the inconvenience it has caused. He noted that Salem Trust did reduce their fees for another one of his clients due to this issue. He will report back to the board at the next meeting after he speaks to Salem Trust.

ATTORNEY'S REPORT: THE LAW OFFICES OF PERRY & JENSEN (PRESENTED BY: BONNI JENSEN)

Ms. Jensen reviewed the revised special act implementation. She noted that now mustering out money will be able to be distributed within 6 months (versus 1 year), when members close out their DROP and Share accounts.

A motion was made by Ron Frano to approve and accept the revised special act implementation as presented. The motion was seconded by Guy Montante and carried 4-0.

Ms. Jensen noted that Mr. Dorey filed his Form 8B since he exited the board.

Ms. Jensen reviewed the changes to the special act regarding lowering the plans assumed rate of return. She commented that this document still needs to be sent to the Legislative to be passed in 2014. Ms. Jensen stated that she will provide the information needed to the City and the Union regarding this change and she will also draft the legislative language. She noted that she will bring back more information to the board at the next meeting.

Ms. Jensen also reviewed some other changes she would like to be implemented into the special act as well. Some changes included whether they are going to allow vested members to take a refund of their contributions or not, revising the language for deceased member payments and vested deferred death payments to be allowed to be paid out to the beneficiary they designate on their form if not surviving spouse or children, and also revising the language under the investment part to allow for more broad language.

Lastly Mr. Jensen notified the board that Mr. Daniel's situation is still pending although we did receive an order to release his mustering out money, but we have not received in order to pay out his refund of contribution money.

ADMINISTRATOR REPORT: RESOURCE CENTERS (PRESENTED BY: AUDREY ROSS)

N/A

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MEETING OF SEPTEMBER 5, 2013

OTHER BUSINESS

The Trustees rescheduled the October 3, 2013 meeting date to Thursday October 10, 2013 at 2PM

There being no further business and the next Pension Board meeting having been rescheduled to Thursday October 10, 2013 @ 2PM, the meeting adjourned at 4:36PM.

Brian Walker, Secretary