

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
JANUARY 9, 2014

Chairman David Merrell 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

David 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
Greg Caron, Brown Advisory
Kevin Osteen, Brown Advisory
Rick Roberts, City of WPB Firefighter (retired)
Rick Dorey, City of WPB Firefighter (retired)

PUBLIC COMMENTS

N/A

INVESTMENT MANAGER REPORT: BROWN ADVISORY (PRESENTED BY GREG CARON & KEVIN OSTEEN)

Mr. Caron welcomed himself back and introduced Mr. Osteen who is the product specialist for this fund. Mr. Caron briefly discussed Brown Advisory as a firm for the new Trustees that were present. He noted that Brown is located in Baltimore and they have about 300 employees. Brown has a total of \$42B in assets and they run a bottom up concentrated portfolio. Mr. Caron explained that this plan invested \$13.8M with Brown Advisory in March of 2011 and as of November 31, 2013 they are up to \$24M in assets. Mr. Osteen reviewed the portfolio and commented that it contains mostly equity strategies with a little fixed income. As of November 30, 2013 the fund is up 2.27% net of fees versus the index at 2.82%, and for the 1 year they are in the same position at 27.63% versus 29.75%. Mr. Osteen reviewed the type of companies that they hold in their portfolio and commented that overall they are comfortable with the portfolio's position and also with the companies that they hold. Brown Advisory has a turn over rate of about 35-45%, which compared to other companies is low. Mr. Osteen briefly commented on the sector attribution and noted that materials had the biggest return for the quarter. Mr. Caron discussed their recent underperformance compared to the benchmark and commented that they did have a couple of disappointments towards the end of last quarter. He reviewed a company in health care that fell during the quarter and hurt the funds performance, but when that happened they actually took that opportunity to buy more into stock and they will start to see soon how that plan effects the portfolio.

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

Mr. Brown presented the board with the December 31, 2013 preliminary report. The fund had a gain of 6.2% for the quarter, which is a gain of \$10.1M. He also commented that in May 2014 the plan will be receiving another \$5M back from BNP that they will need to invest somewhere. Mr. Brown will be bringing back some investment ideas to share with the board in the near future. The board briefly discussed some alternative ideas for investing and Ms. Jensen reminded the Trustees that the investment language in the Special Act did not change so there are still some limitations as to what the board can invest in and what they can not.

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Mr. Brown explained that he recently received notification from Allianz that they have stopped offering this vehicle that the fund is currently invested in to their clients. The plan has \$31M invested with Allianz and is their largest client. Mr. Brown explained that the board has a couple of different options at this time. They can either roll their money over to the real PIMCO Total Return account that is managed by Bill Gross and is ran similar to the Allianz account, they can roll the money over to the PIMCO mutual fund account, or they can an take their cash out and invest it somewhere else besides with PIMCO. The current fee for Allianz is 43 basis points, PIMCO's Total Return Fund account fee is 45 basis, and the PIMCO mutual fund account fee is 46 basis points. Mr. Brown explained that Greg Grabar from PIMCO will be attending the next meeting and therefore he would like the board to wait until they speak with him to make any kind of decision. The Allianz fund is closing effective March 31, 2014, but Allianz needs to know what the boards intentions are by February 28, 2014.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on November 7, 2013, the special meeting held on November 27, 2013, and the regular meeting held on December 3, 2014.

A motion was made by Brian Walker to approve the minutes of the regular meeting held on November 7, 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 November 27, 2013. The motion was seconded by Brian Walker and carried 4-0.

A motion was made by Brian Walker to approve the minutes of the regular meeting held on December 3, 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 Brian Walker and carried 4-0.

BENEFIT APPROVALS

The Board reviewed the application for distribution of DROP account (due to retirement) for Ronald Lauth, and the applications for distributions of share account and DROP account (closeouts) for Pam Senecal.

A motion was made by Ron Frano to approve the application for distribution of DROP account (due to retirement) for Ronald Lauth, and the applications for distributions of share account and DROP account (closeouts) for Pam Senecal. The motion was seconded by Brian Walker and carried 4-0.

REPORTING OF PLAN FINANCIALS

The Administrator provided the Board with an unaudited financial statement and an income and expense report for review through the month of November 2013.

The Board received and filed the un-audited financial statements through the month of November 2013.

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

Ms. Jensen stated the standard IRS mileage reimbursement rate has increased to 56 cents per mile effective January 1, 2014.

Ms. Jensen stated that in between meetings she and Ms. Ross had a meeting with the Chief and Mr. Rick Taylor regarding the new hire process. She explained that that were 3 new hires that were hired under the Chief position within the past year and they did not complete the new hire process or physicals that are required. Also one of these new hires was actually put into the defined contribution pension plan and not into this pension plan (this problem has since been resolved and the member is working on paying back his contributions). Ms. Jensen commented that she hopes the process and procedures have been worked out for future new hires. The Trustees asked Ms. Jensen to provide waivers to the 3 new hires that did not complete the physicals. Mr. Jensen concurred and noted that those members will also be going back for their new hire physicals so that we have their records on file.

Ms. Jensen briefly updated the board on the filing of the Special Act. She stated that the bill has been sponsored and it was also presented to the local committee.

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

Ms. Ross presented the board with the 2014 fiduciary liability insurance renewal fee. Ms. Jensen asked that the ratification be tabled until next meeting as she has a question about the coverage and she does not have her answer yet.

OTHER BUSINESS

There being no further business and the next Pension Board meeting having been rescheduled to Thursday February 6, 2014 @ 1:30PM, the meeting adjourned at 3:41PM.

Brian Walker, Secretary