

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
MAY 1, 2014

Chairman David Merrell called the meeting to order at 1:35 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
Guy Montante
Scott Kelly
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, The Law Offices of Perry & Jensen
Troy Brown, The Bogdahn Group
Jeff Stefaniak, WPB Firefighter (Active)/Union Pres.
Rick Roberts, WPB Firefighter (Retiree)

PUBLIC COMMENTS

N/A

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

Mr. Brown notified the board that the new Garcia Hamilton account was funded on Monday April 28, 2014. Also he noted that the BNP CD is coming due this month in May as well, and there is still a queue to get into the JP Morgan Special Situation Fund.

Mr. Brown reviewed the performance report for the quarter ending March 31, 2014. International was the worst performing sector during the quarter and all other indices were positive. At the end of the quarter the fund had \$175.5M in assets, which was a gain of \$2M for the quarter and \$13M for the fiscal year. For the quarter ending March 31, 2014 the total fund slightly underperformed the index at 1.56% versus 1.68%, but for the fiscal year to date they are ahead at 7.92% versus the index at 7.36%. Mr. Brown reviewed the asset allocation and noted that they are over weighted in domestic equities. During the quarter all the managers outperformed their index with the exception of TBC, Brown, Templeton, and Abby Capital. Mr. Brown briefly reviewed the risk versus reward chart and commented that the total fund is in the "good quadrant" which meant that the Plan is taking less risk, but getting a better return. Since the last meeting Mr. Brown met with the managing director of PIMCO who explained what happened with the recent personal changes at PIMCO and they also discussed PIMCO's exit strategy for whenever Bill Gross retires or leaves from the firm. After the meeting, Mr. Brown still feels comfortable with PIMCO and his firm is still recommending them to other clients as well.

Mr. Brown reviewed the flash performance report as of April 28, 2014. For the month the fund was down -1% (April was not a good month), which brings their fiscal year return down to 6.8%.

Mr. Brown reviewed the revised investment policy guidelines that he is proposing. He explained the changes that he made which included removing the managed futures asset calls all together and to revise the target allocation ranges. The Trustees discussed the changes and noted that they did not have any objections to them.

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A motion was made by Ron Frano to adopt and accept the revised Investment Policy Guidelines as presented. The motion was seconded by Guy Montante and carried 4-0.

Lastly Mr. Brown passed out a handout reflecting the Plan's current asset allocation (as of the end of April 2014). He commented that when the BNP CD matures later this month, he would like to move that money back into international equity with Garcia Hamilton to rebalance back to target per the investment policy guidelines. The Trustees discussed the transfer and noted that they agreed to move the money from the BNP investment (when it comes due) to the Garcia Hamilton account to be back inline with the policy, per the investment policy guidelines.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on April 3, 2014.

A motion was made by Ron Frano to approve the minutes of the regular meeting held on April 3, 2014 as amended. The motion was seconded by Guy Montante 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 Guy Montante and carried 4-0.

BENEFIT APPROVALS

The Trustees asked Ms. Ross to not present the names from the benefit approvals list in the minutes.

The Board reviewed the benefit approval list presented for approval by the Administrator dated May 1, 2014.

A motion was made by Ron to approve the benefit approvals list as presented by the Administrator. The motion was seconded by Guy Montante 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 March 2014.

The Board received and filed the un-audited financial statements through the month of March 2014.

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

Ms. Jensen briefly updated the board on Senate Bill 246 which was amended again and more then likely will not pass this legislative session. She will update the board next month once legislative session has ended.

Ms. Jensen stated that the Plan's Special Act has been passed and now we are just waiting on the Governor to sign it.

Ms. Jensen stated that the annual Form 1 Disclosure forms are due July 1, 2014.

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Ms. Jensen stated that she is working with members and their Attorney regarding and income deduction order.

Ms. Jensen reviewed the actuarial funding policy that the Plan's Actuary presented at the last meeting. She stated that his policy is not required, although she would like to get the auditors input regarding it. Therefore the board tabled this until the next meeting.

Lastly Ms. Jensen explained that she has not received back any of the medical waivers from the last 2 groups of new hires.

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

Ms. Ross presented the board with the GASB 67 implementation package that was prepared by the Plan's Actuary. Ms. Jensen stated that this has to do with the new GASB requirements, which will require a lot more reporting for the Actuaries. Ms. Ross noted that the fee range for these additional reports will be in the range of \$1,950 to \$2,950. The Trustees discussed the letter and stated that this is a new requirement and they have to abide by it.

A motion was made by Scott Kelly to accept & approve the GASB 67 implementation package from GRS as presented (with the fees not to exceed \$2,950). The motion was seconded by Ron Frano and carried 4-0.

OTHER BUSINESS

The Trustees asked Mr. Kelly if the City Commission still wanted the Plan's Actuary to attend a City Council meeting to review the September 30, 2013 Actuarial Valuation Report. Mr. Kelly stated that he was not sure at this time and that he will get with Ms. Ross if necessary.

There being no further business and the next Pension Board meeting having been scheduled for Thursday June 5, 2014 @ 1:30PM, the meeting adjourned at 3:33PM.

Brian Walker, Secretary