

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
JUNE 5, 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
Brian Walker, Secretary
Guy Montante
Scott Kelly

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, The Law Offices of Perry & Jensen
Dan Johnson, The Bogdahn Group
Tracy Musser, TSW.
Rick Roberts, WPB Firefighter (Retiree)
Rick Dorey, WPB Firefighter (Retiree)

PUBLIC COMMENTS

N/A

INVESTMENT MANAGER REPORT: TSW (PRESENTED BY TRACY MUSSER)

Ms. Musser welcomed herself back and briefly updated the board on the firm. There are a total of 27 employees and they all own equity in the company. They have around \$40B in assets and their main focus is to invest in undervalued stocks through fundamental research and to outperform the index net of fees. For the quarter ending March 31, 2014 the fund outperformed the index net of fees at 4.38% versus 3.52% and for the fiscal year to date they are also ahead at 14.49% versus the index at 12.67%. Ms. Musser reviewed their long term performance through different time periods and explained what has favorable and what was not. In 2014 health care, utilities, and technology added value to the fund and financials hurt them, but in 2013 that was the complete opposite. Overall Ms. Musser stated that TSW is doing what the Board hired them to do and they are inline with the policy and their performance is good.

INVESTMENT CONSULTANT REPORT: THE BOGDAHN GROUP (PRESENTED BY DAN JOHNSON)

Mr. Johnson reviewed the Plan's flash performance report as of May 31, 2014. The fund is up 0.7% for the month and 8.7% for the fiscal year to date. Since the last meeting BNP has cashed out and sent the money back to the Plan, in which was invested back into the Vanguard account and will be used for benefit payments. Mr. Johnson briefly reviewed all the Manager performances and noted that Brown and Baron are the only 2 managers that were negative for the quarter. Everything else is moving along very well and Mr. Johnson does not have any recommendations at this time in regards to rebalancing or the managers.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on May 1, 2014.

A motion was made by Brian Walker to approve the minutes of the regular meeting held on May 1, 2014. The motion was seconded by Guy Montante and carried 4-0.

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~~A motion was made, seconded and carried 4-0 to accept the minutes of the meeting held May 23, 2011.~~ **DISBURSEMENTS**

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

A motion was made by Brian Walker to approve the disbursements that were presented by the Administrator. The motion was seconded by Guy Montante and carried 4-0.

BENEFIT APPROVALS

The Board reviewed the benefit approval list presented for approval by the Administrator dated June 5, 2014.

A motion was made by Brian Walker to approve the 5 applications for retirement and the 1 hardship withdrawal request from DROP account and the 1 application for a DROP loan. The motion was seconded by Guy Montante and carried 4-0.

A motion was made by Brian Walker to deny the 1 hardship withdrawal request from Share account due to lack of proof of hardship, but will allow the member to close out his account without having to go back in front of the board. 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 April 2014.

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

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

Ms. Jensen explained that the Plan received a letter from the Division of Retirement. The Division wants the Plan to go back and revise the September 30, 2013 Actuarial Valuation Report so that it does include the 8% assumption rate change, and they also want the board to revise the expenses added to the benefits normal cost to include investment expenses as well as administrative expenses. Ms. Jensen stated that back in 1998 the Division of Retirement sent a letter to the board explaining that the Plan did not have to combine the expenses so they have not been combining the expenses ever since. The Plan's Actuary has stated that by changing the expenses back it will cost the City more money, but it would benefit the pension plan. The Trustees had a lengthy discussion on this issue and directed Ms. Jensen to get with the Plan's Actuary, the City and anyone else regarding the changes because the Board is comfortable with revising the Valuation to reflect the 8% assumption change, but they are not comfortable with revising the expenses until more information is available.

Mr. Jensen updated the Board on the DeVry case and stated that Boca has pulled out of this lawsuit so the case is closed and no action is needed. Mr. Jensen did note for the record that a Rule 11 was filed against Rudman & Geller due to this case.

Lastly Ms. Jensen notified the Board that the Special Act amendment was passed so they will not be working on implementing that into the Plan.

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

Ms. Ross presented that board with the draft of the funding policy. The Trustees briefly discussed this and stated that since it is not required they will receive and file it at this time.

OTHER BUSINESS

Mr. Walker stated that in regards to the retirement dinner, they have set a date and everything else is lined up as well. We will start sending the flyers out in the retiree's paystubs.

There being no further business and the next Pension Board meeting having been scheduled for Thursday August 7, 2014 @ 1:30PM, the meeting adjourned at 3:27PM. ***THE JULY MEETING WAS CANCELED***

Brian Walker, Secretary