

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND**  
**MINUTES OF MEETING HELD**  
**FEBRUARY 5, 2015**

Chairman David Merrell called the meeting to order at 1:30P.M. in the Conference Room at Station 1, 3<sup>rd</sup> Floor; 500 North Dixie Highway, West Palm Beach, Florida. Those persons present were:

**TRUSTEES**

David Merrell, Chair  
Brian Walker, Secretary  
Guy Montante  
Ron Frano  
Scott Kelly

**OTHERS**

Audrey Ross, Resource Centers  
Bonni Jensen, KKJ&L  
Troy Brown, The Bogdahn Group  
Dan Johnson, The Bogdahn Group  
Jeff Stefaniak, WPB Firefighter (Active)  
Richard Cristini, DJC  
Jeanine Bittinger, DJC  
Rick Roberts, WPB Firefighter (Retiree)

**PRESENTATION OF THE SEPTEMBER 30, 2014 AUDITED FINANCIAL STATEMENTS – DJC (PRESENTED BY: RICHARD CRISTINI & JEANINE BITTINGER)**

Mr. Cristini explained that the audit took a little longer this year due to the new GASB 67 requirements. His office had to wait until they received the actuarial information from the Actuary before they could complete their report. Ms. Bittinger reviewed the Plan's statement of assets from 2013 to 2014 and noted that the assets grew from \$164M to \$177M (which includes the DROP and Share assets as well). The employer contributions and the Chapter 175 money slightly increased in 2014, but the employee contributions remained the same. The administration expenses decreased this year which is very good. The Trustees discussed the commission rebates which is zero this year compared to \$4,700 last year. Mr. Cristini noted that Salem Trust might have not been classifying the rebates correctly on their custodial statements so his office probably categorized them somewhere else as it is considered non-materialistic to them. Ms. Bittinger stated that the Plan had a net increase of \$12.4M this year compared to \$19.1M last year and overall it was a very good year. Mr. Cristini reviewed the new GASB 67 reports that are included in this year's report as well as the participant information. Mr. Brown stated that the breakdown of assets and investments were not reflected correctly in the report so he will have his office send the corrected figures over. Lastly Ms. Bittinger stated that there were no management issues or materialistic issues found while performing the audit.

**A motion was made by Brian Walker to accept and approve the September 30, 2014 audited financial statements as presented, with the exception of the investment page that will be revised. The motion was seconded by Ron Frano and carried 5-0.**

Mr. Cristini stated that there was a lot more time and work put into this year's audit because of all the new GASB requirements and reports. Due to all the additional work, DJC is proposing a one-time fee increase for this year only of \$3K. The Trustees discussed and noted that they were required to do these reports as a Board.

**A motion was made by Guy Montante to approve DJC's proposed one-time fee increase of \$3K due to the new GASB requirements this year. The motion was seconded by Ron Frano and carried 5-0.**

**INVESTMENT CONSULTANTS REPORT: THE BOGDAHN GROUP (PRESENTED BY: TROY BROWN & DAN JOHNSON)**

Mr. Brown updated the Board on the Bogdahn Group's change of internal control. He explained that Mike Welker bought all but 5 units of ownership from Joe Bogdahn. There will be no upfront changes to the firm as Mr. Brown and Mr. Welker have been running the office since 2012 anyways. This change in ownership is from family owned to organizational ownership which will ultimately broaden the firm out. Due to this change in ownership the Board will need to sign a consent acknowledging the change. The Bogdahn group has recently hired new consultants to widen their firm. They now have 54 employees with 38 of those employees located in their main office out of Orlando, and they have 406 clients and operate in 27 different States.

**A motion was made by Scott Kelly to approve and authorize the Bogdahn Group's consent to internal control changes. The motion was seconded by Brian Walker and carried 5-0.**

Mr. Brown discussed the difference between the gross rates of return that are being reported versus the net. He explained that all the active managers' returns are gross of fees because we pay them all directly through the Plan's local checking account and not through the custodian so Mr. Brown does not have a way of reporting on those. All the mutual fund accounts are reported net of fees and the Board discussed switching their process and have all the Managers fees' directly debited from their accounts through Salem Trust so that Mr. Brown can then report a gross and net rate of return. The Trustees discussed this change and Ms. Ross stated that the Trustees would still be able to review the invoices each quarter and it would just be a change in how they are paid out after that.

**A motion was made by Scott Kelly to approve and authorize all the Investment Managers and Salem Trust to pay the management fees electronically effective April 1, 2015. The motion was seconded by Brian Walker and carried 5-0.**

Mr. Brown reviewed the December 31, 2014 quarterly report. For the quarter the Plan made \$5.7M, which is a return of 3.24% versus the index at 3.02%. For the one year they are up but behind the index at 7.03% versus 8.51%. He also reviewed the Plan's asset allocation and noted that they are slightly underweighted to fixed income and real estate. Mr. Brown reviewed each manager's performance for the quarter and commented that most managers underperformed their index for the quarter but were positive. The Plan assets are now up to \$183.8M as of December 31, 2014, which is not a bad start to the new fiscal year. Mr. Brown explained that he will be bringing back more ideas and recommendations to the Board because the PIMCO DISCO II product will be coming to an end soon although they will be coming out with another product that Mr. Brown would like the Board to look into. The Trustees asked Mr. Brown to invite someone from PIMCO to the next meeting to review their products.

Mr. Brown reviewed the revised IPG that he is proposing changes to. He reviewed the proposed changes in regards to the asset allocations and targets. He would like to decrease the fixed income target from 20% to 15% and add in another asset class

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"other fixed income" with a 5% allocation. He explained what products he would categorize where. The Trustees had a lengthy discussion on the revisions.

**A motion was made by Brian Walker to approve the revised IPG as presented. The motion was seconded by Ron Frano and carried 5-0.**

Lastly Mr. Brown briefly reviewed the Plan's flash performance report as of January 31, 2015 and commented that January has not been the best month. For the quarter they are down -0.9% but for the fiscal year they are up 2.3%.

**APPROVAL OF MINUTES**

The Board reviewed the minutes of the regular meeting held on January 8, 2015.

**A motion was made by Brian Walker to approve the minutes of the regular meeting held on January 8, 2015 as amended. The motion was seconded by Ron Frano and carried 5-0.**

**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 5-0.**

**BENEFIT APPROVALS**

The Board reviewed the benefit approval list presented for approval by the Administrator dated February 5, 2015 (1 Application for retirement, 1 application for distribution from DROP account-closeout, 1 application for distribution from Share account due to retirement, 1 application for distribution from DROP account-hardship, and 2 applications for DROP loans).

**A motion was made by Ron Frano to approve the benefit approval list as presented dated February 5, 2015. The motion was seconded by Brian Walker and carried 5-0.**

**FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of December 2014.

**The Board received and filed the financial statements through the end of December 2014.**

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

Ms. Jensen stated that per the Board's request at the last meeting, she has updated the Plan's Retirement Dinner policy. The policy now states that each retirement dinner committee member will receive one free ticket limited to 6 total tickets. The Trustees' concurred.

**A motion was made by Brian Walker to approve the revised Statement of Policy Regarding the Retirement Dinner as presented. The motion was seconded by Guy Montante and carried 5-0.**

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Ms. Jensen stated that at the last Board meeting the Trustees approved a duty disability retirement for a member and now she has the final Order to be executed by the Board.

**A motion was made by Guy Montante to approve and execute the duty disability Order as presented. The motion was seconded by Scott Kelly and carried 5-0.**

Ms. Jensen stated that she spoke to Sue Marden regarding the project she is currently working on for the Board regarding the Leroy Collins article. The final presentation should be available by the next meeting.

Ms. Jensen notified the Board that the City has hired a new Finance Director and he will start at the end of this month.

Lastly Ms. Jensen commented that the Plan's Actuary is working on updating the Actuarial tables in the back of the summary plan description. Once the tables are completed then the summary plan description will need to be distributed to the active members.

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

Ms. Ross presented the Board with the tablet information that she researched for the Board. The Trustees stated that they would like to go through a carrier so that they have built in wifi and asked Ms. Ross to gather some information on a carrier and the costs associated with it.

**OTHER BUSINESS**

N/A

**PUBLIC COMMENTS**

N/A

There being no further business and the next Pension Board meeting having been scheduled for Thursday March 5, 2015 @ 1:30PM, the meeting adjourned at 4:20PM.

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Brian Walker, Secretary