

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

October 1, 2015

Chairman David Merrell called the workshop to order at 1:35 P.M. in the Conference Room at Station 1, 3rd Floor; 500 North Dixie Highway, West Palm Beach, Florida. Those persons present were:

TRUSTEES

David Merrell, Chair
Brian Walker, Secretary
Guy Montante
Mark Parks
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, KKJ&L
Dan Johnson, The Bogdahn Group
Tony Marek, BlackRock
Brian Newman, BlackRock

INVESTMENT MANAGER PRESENTATION: BLACKROCK (PRESENTED BY: TONY MAREK & BRIAN NEWMAN)

Mr. Marek introduced himself as well as Mr. Newman. He stated that BlackRock has \$4.72T in assets under management and briefly reviewed their investment philosophy and process. Mr. Marek noted all the different asset classes this product invests in and noted that they have an attractive yield of 5% and their volatility is relatively low. Their portfolio team consists of 12 managers and they are located all around the world which means that there is always a BlackRock office open somewhere. Mr. Marek explained that they do not have a cap when investing in any one asset class or in cash, but they do always take a risk first approach when it comes to generating income. He briefly reviewed how this fund performs during down markets as well as the up markets. This fund does not go down as much as the market in a negative rate environment, but it also does not gain as much as the market does in a rising interest rate environments. Lastly Mr. Newman gave his market outlook and stated that BlackRock still remains as one of the most diversified managers. Also they are also starting to see some more opportunity right now because of the "market write downs" and now would be a good time to add some risk into the portfolio because of the market pull back.

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

Mr. Johnson discussed BlackRock's presentation and noted that he is still comfortable with this firm.

Mr. Johnson briefly reviewed the Plan's preliminary flash performance report as of September 29, 2015. For the quarter to date they are down -5.9% and for the fiscal year to date they are slightly up at 0.6%. He reviewed each manager's performance and noted that it was a rough quarter and most managers underperformed their benchmarks with the exception of the two JP Morgan accounts and Garcia Hamilton. Mr. Johnson stated that he does not have any recommendations at this time for rebalancing or in regards to any of the managers and will have the full and final September 30, 2015 report at the November meeting.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on September 3, 2015.

A motion was made by Ron Frano to approve the minutes of the regular meeting held on September 3, 2015. The motion was seconded by Guy Montante and carried 5-0.

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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 Ron Frano and carried 5-0.

BENEFIT APPROVALS

The Board reviewed the benefit approval list presented for approval by the Administrator dated October 1, 2015 (2 applications for retirement, 2 applications for distributions from Share accounts due to retirement, 1 application for distribution from DROP account due to retirement, 1 application for distribution from DROP account due to required minimum distribution, 1 application for distribution from Share account due to required minimum distribution, and 1 application for distributions from Share account due to closeout).

A motion was made by Brian Walker to approve the 2 applications for retirement, 2 applications for distributions from Share accounts due to retirement, 1 application for distribution from DROP account due to retirement, 1 application for distribution from DROP account due to required minimum distribution, 1 application for distribution from Share account due to required minimum distribution, and 1 application for distributions from Share account due to closeout as amended. The motion was seconded by Guy Montante 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 August 2015.

The Board received and filed the financial statements through the end of August 2015.

ATTORNEY'S REPORT: KKJ&L (PRESENTED BY: BONNI JENSEN)

Ms. Jensen provided the Board with the revised statement of policy regarding the implementation of the 2012 Special Act Amendment (HB 1325). She reviewed the changes/revisions that were made particularly to the Chapter 175 monies as well as the new Plan rate of return including the floor. The Trustees had a lengthy discussion on the new rate of return and when it would be effective since members are eligible every October 1 to change their election.

A motion was made by Ron Frano to add language to the policy stating that members can choose their investment rate of return option effective January 1, 2016 due to the revised Special Act changes. The motion was seconded by Mark Parks and carried 5-0.

Ms. Jensen stated that the Plan's IRS determination letter is still pending.

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

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Ms. Ross stated that she has been contacted by a member of the Plan who had a medical bill go into collections due to his new hire physical and it is now affecting him personally in regards to his credit. This member is requesting that the Pension Board write a letter to the collection agency explaining this was an error so everything can be straightened out. The Trustees discussed this situation and stated that ultimately the issue is between him and the collection agency and that there is not much the pension Board can do that would really be effective to resolve the situation. The Trustees advised the member to appeal the collections claim and then through that process the City can confirm that the claim is false when it reaches back to them. The City is more than happy to help with the appeal process, but the Trustees don't think it would be beneficial for the Board to write a letter as the member needs to deal directly with the collection agency. Ms. Ross stated that she has contacted the City about the new hire process altogether and was told that everything has been straightened out going forward in regards to the billing for the new hires so a situation like this does not occur again.

OTHER BUSINESS

Ms. Ross presented that Board with a letter from a retiree regarding some recommendations he had on some of the Board's policies and procedures. The Trustees had a very lengthy discussion on some of the changes presented and noted that the only item they felt comfortable with changing was the DROP and share distribution policy to allow for quarterly distributions instead of semiannually. Ms. Jensen stated that she will revise the DROP and Share distribution policy and will bring it back to the next meeting to be reviewed and approved.

PUBLIC COMMENTS

N/A

There being no further business and the next Pension Board meeting having been scheduled for Thursday November 5, 2015 @ 1:30PM, the meeting adjourned at 3:40PM.

Brian Walker, Secretary