

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

November 5, 2015

Chairman David Merrell called the workshop to order at 1:31 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
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, KKJ&L
Dan Johnson, The Bogdahn Group
Troy Brown, The Bogdahn Group
Tracy Musser, TSW
Rick Dorey, Retired WPB Firefighter
Rick Roberts, Retired WPB Firefighter

INVESTMENT MANAGER PRESENTATION: TSW (PRESENTED BY: TRACY MUSSER)

Ms. Musser welcomed herself back and gave an update on the firm, in which there have been no changes since she last met with the Board. They remain 24.7% employee owned and they continue to grow.

She reviewed the Plan's performance as of September 30, 2015 and stated that for the quarter they were negative but ahead of the benchmark net of fees at -6.76% versus -9.58%. For the fiscal year to date they are doing better and are positive at 2.13% versus the benchmark at -2.44%. Ms. Musser expressed that TSW has been true to their form and has protected on the downside during the down markets. She reviewed the Plan's risk universe which represents consistency within the fund and noted that 5% is the max that they will invest in any one company or stock. Ms. Musser reviewed the Plan's asset allocation and noted that utilities were the leading sector during the quarter and for the year to date. Also this portfolio benefited from energy which is the opposite right now because energy has been lagging altogether. Lastly the portfolio remains at a low turnover rate at 74.3% and Ms. Musser briefly reviewed her market outlook.

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

Mr. Johnson reviewed the market environment during the quarter and noted that it was the worst quarter for stocks in 4 years, but October was the best month in 4 years. A lot of market uncertainty led to the sectors going down. Energy sold off tremendously and was the worst performing sector which benefits the consumer but not the energy companies. For the quarter ending September 30, 2015 the total fund net of fees was down -4.45% versus the index at -4.60%, which represents a loss of \$8,087,656. Fiscal year to date they are up 2.14% versus 0.34%, which is a gain of \$4,163,093. Mr. Johnson stated that domestic equity was the largest underperformer and briefly reviewed each manager's performance. For the quarter most of the managers underperformed due to the markets, but for the fiscal year most managers outperformed with the exception of Templeton. Overall the fund is doing very well and Mr. Johnson commented that he does not have any recommendations at this time for rebalancing or in regards to any of the managers.

Mr. Johnson reviewed the October 31, 2015 flash performance report. Fiscal year to date they are up 4.5% which is a gain of \$7.9M and that brings the Plan's total

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assets up to \$185M, which is a new high for the Plan. All managers are doing well going into the new fiscal year.

Mr. Johnson explained that neither he nor Mr. Brown will be able to attend the January meeting as the Bogdahn Group has their annual firm retreat during that week.

Lastly Mr. Merrell stated that he recently did an onsite visit to Brown Advisory. He stated that everyone was very nice and accommodating as they showed him around.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on October 1, 2015.

A motion was made by Ron Frano to approve the minutes of the regular meeting held on October 1, 2015. The motion was seconded by Guy Montante and carried 4-0.

~~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 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 Board reviewed the benefit approval list presented for approval by the Administrator dated November 5, 2015 (1 application for distribution from DROP account due to a hardship withdrawal and 1 application for a DROP loan).

A motion was made by Ron Frano to approve the 1 application for distribution from DROP account (hardship withdrawal) and the 1 application for a DROP loan. The motion was seconded by Guy Montante and carried 4-0.

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

Ms. Jensen presented the Board with the revised application to elect earnings form. She explained that this form has been updated to include the "collar rate of return" language.

A motion was made by Brian Walker to approve the revised application to elect earnings form as presented. The motion was seconded by Ron Frano and carried 4-0.

Ms. Jensen reviewed the revised backDROP and Share distribution policy. She explained that at the last meeting she was directed to revise the policy to extend the open enrollment periods to four times a year versus twice a year (January 1, April 1, July 1 & October 1).

A motion was made by Brian Walker to approve the revised backDROP and Share distribution policy as presented. The motion was seconded by Guy Montante and carried 4-0.

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Ms. Jensen reviewed the revised provisions to the Special Act Amendment policy. She explained that since the Special Act changed again this year than they need to update the Special Act policy as well to be in consistent.

A motion was made by Ron Frano to approve the revised Special Act Amendment policy as presented. The motion was seconded by Guy Montante and carried 4-0.

Lastly Ms. Jensen reviewed the NCPERS code of conduct. She stated that NCPERS would like all defined benefit pension Board's to adopt their code of conduct. Ms. Jensen explained what this meant and noted that the Board is not required to adopt this code of conduct and that she does not have a recommendation either way. The Trustees discussed and noted that they did not want to move forward with this.

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

Ms. Ross stated that Salem Trust requires their signature cards to be updated every 3 years so therefore she has the cards with her today to be executed.

PUBLIC COMMENTS

N/A

There being no further business and the next Pension Board meeting having been scheduled for Thursday December 3, 2015 @ 1:30PM, the meeting adjourned at 3:27M.

Brian Walker, Secretary