

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

MARCH 3, 2016

Chairman Dave Merrell called the meeting to order at 1:40 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
Troy Brown, The Bogdahn Group
Rick Dorey, Retired WPB Firefighter

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

Mr. Brown reviewed the Plan's flash performance report as of March 2, 2016. For the fiscal year to date they were up 1.2%, but for the quarter to date they are down -2.5%.

Mr. Brown discussed the Tac Ops/DISCO II presentation from the last meeting and reviewed Mr. Johnson's recommendation. First he is recommending that the Board reduce their other fixed income target from 5% to 2.5% and redeem it from the DISCO II fund. Then reinvest 2.5% to the Tac Ops Strategy and then the other 2.5% to be reinvested with the JP Morgan Special Situation real estate fund (would then be increasing the total real estate target to 12.5%). The Trustees had a very lengthy discussion on the Special Act investment language and where the Tac Ops fund would fall under since the "alternative investments" sector is already maxed out. Mr. Brown stated that the Tac Ops fund would be considered fixed income, just not high quality and it would just be an addendum to the Investment Policy Guidelines (IPG). DISCO II has a 60 day notice for quarterly liquidity so the Plan does still have more time to review everything and make a decision. JP Morgan also has an incoming queue which would take about 4-6 quarters to get into anyways. Any of these changes would require an IPG change and therefore Mr. Johnson will bring a redlined version to the next meeting for the Board to review. The Trustees had a very lengthy discussion the Tac Ops fund as this is something they did consider in the past but never moved forward with. Mr. Brown stated that they have 4 other clients in this fund and they are very pleased with it. This product offers great diversification and a way to get more of a return in fixed income other than the standard bond, although the leverage in this fund is higher than a normal fixed income product. The Board needs to do their diligence on this produce to see if this is something they are comfortable with. The terms are different from DISCO II in that there is an 18 month soft lockup and the fee is slightly higher, although they are predicting a higher return as well. The Trustees tabled this discussion to the next meeting and noted that they will review the presentation again between now and then and come up with any questions for PIMCO.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on February 4, 2016.

A motion was made by Ron Frano to approve the minutes of the regular meeting held on February 4, 2016 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 Board reviewed the benefit approval list presented for approval by the Administrator dated March 3, 2016 (14 applications for distribution from DROP accounts for 4/1/2016, 6 applications for distribution from Share account for 4/1/2016, 1 application for distribution from DROP account due to retirement, 1 application for distribution from Share account due to IDO, 2 applications for DROP loans, and 1 application for a vested deferred retirement).

Mr. Frano noted for the record that one of the members listed on the benefit approvals list is also a Board member on another committee in which Mr. Frano gets compensated by. Ms. Jensen stated that this was not a conflict of interest.

A motion was made by Brian Walker to approve the 14 applications for distribution from DROP accounts for 4/1/2016, 6 applications for distribution from Share account for 4/1/2016, 1 application for distribution from DROP account due to retirement, 1 application for distribution from Share account due to IDO, 2 applications for DROP loans, and 1 application for a vested deferred retirement. The motion was seconded by Guy Montante and carried 3-0 (Mr. Merrell was not presented at the time).

FINANCIAL STATEMENTS

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of January 2016.

The Board received and filed the financial statements through the end of January 2016.

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

Ms. Jensen provided the Board with the Saxena White memo regarding the Apollo Education Group Inc. litigation case. She reviewed the case and explained that Saxena White would like this Board to bring an action against them challenging the propriety of the proposed transaction. This company is being acquired by another firm and currently TSW holds this company at 6,200 shares valued at \$50K. Saxena White ultimately wants this Board to file as lead plaintiff in the case. The Trustees had a lengthy discussion on the case and noted that they can still be a part of the class action case if another Plan files as lead plaintiff. All the services associated with the case are free to the Board and Ms. Jensen's fee will be reimbursed as well.

A motion was made by Brian Walker to move forward with the Apollo Education Group Inc. case and file as lead plaintiff. The motion was seconded by Ron Frano and carried 4-0.

Ms. Jensen updated the Board on the mustering out money situation in regards to what amount should go into the pension plan when a member separates service (the full amount or a portion according to the IRS 415 limits). At the last Board meeting the Plan hired Gray Robinson, tax attorney, to review their Plan and make a

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recommendation either way. Ms. Jensen presented the Board with the engagement letter from Gray Robinson's firm. His firm charges at an hourly rate and noted that the total costs should not exceed \$7,500. This firm will review the Plan and make a determination/recommendation on the amount of mustering out money that goes into the pension plan when a member separates service.

A motion was made by Ron Frano to authorize the Chairman to sign the Gray Robinson engagement letter with a cap of \$7,500 in fees (if the amount goes over it needs to go back to the Board first). The motion was seconded by Brian Walker and carried 4-0.

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

Ms. Ross stated that she just received an email from Salem Trust asking if they can attend the next meeting to review their global tax services. Ms. Jensen explained the services to the Board and stated that ultimately they are trying to recover unclaimed taxes on the foreign investments. There is an additional fee that Salem charges for this service. The Trustees discussed and directed the Plan Administrator to gather the information from Salem Trust and bring it back to the next meeting to review.

OTHER BUSINESS

N/A

PUBLIC COMMENTS

N/A

There being no further business and the next Pension Board meeting having been scheduled for Thursday, April 7, 2016 @ 1:30PM, the meeting adjourned at 3:21PM.

Brian Walker, Secretary