

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

JUNE 1, 2017

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

TRUSTEES

Dave Merrell, Chairman
Brian Walker, Secretary
Guy Montante
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, KKJ&L
Dan Johnson, AndCo Consulting
Tracy Musser, TSW
Craig Arneson, Ullico Causality Group (via phone)
Rick Dorey, Retired Plan Member

CYBER LIABILITY INSURANCE PRESENTATION: ULLICO CASUALTY GROUP (PRESENTED BY: CRAIG ARNESON – VIA TELEPHONE)

Mr. Arneson introduced himself and stated that he is here to answer any questions and explain Cyber liability coverage. He reviewed the difference between first and third party claims and the different coverages and areas the insurance protects. Ms. Jensen stated that the Trustees have tablets under the pension plan and wanted to know if this cyber policy would cover those as well. Ms. Arneson stated this policy would cover the tablets and the trustees and explained in great detail what it would cover and gave some examples. If the Board was to get Cyber coverage, Ullico does offer technical support when dealing with a case or loss of information so they would help walk the client through the process. Mr. Walker stated that PRC, the Plan's Administrator, has cyber coverage so how would a separate policy work. Ms. Jensen explained that if something happened at the PRC level, then their policy would kick in first although the underlying risk or issue still lies on the pension board as the entity so they need to be covered themselves as different scenarios could occur including suing and claims. The Trustees thanked Mr. Arneson for his time. The Trustees continued to have a very lengthy discussion on the Cyber liability insurance, what it covers, and whether or not they think it is necessary or not. The Trustees concluded that they would like to obtain a quote for the cyber coverage and then they will continue the discussion.

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

Ms. Musser welcomed herself back and gave a brief firm update. They currently have \$21.9B in assets with 75 associates. Their firm has had a lot of growth and thanked the Board for their long term relationship. She briefly reviewed the March 31, 2017 performance but focused more on the recent performance through the end of April. As of April 30, 2017 the fund was up 0.75% net of fees versus the index at -0.10%. For the fiscal year to date they are behind the index but still up at 6.42% versus 11.96%. Ms. Musser explained that the last quarter in 2016 hurt them as they underperformed the benchmark, but they have since made it back. She reviewed what sectors were favorable during the quarter and which detracted from the portfolio. Financials and energy performed well for this fund, but materials and consumer discretionary were unfavorable. Ms. Musser reminded the Board that they will never change their investment style or strategy to react to a market change so this is why they look out long term. Their goal is to find the best return with less risk and pay less for bigger/expensive companies.

INVESTMENT CONSULTANTS REPORT: ANDCO. CONSULTING (PRESENTED BY: DAN JOHNSON)

Ms. Johnson reviewed the May 30, 2017 flash performance report. For the quarter to date, the fund is up 1.7% and for the fiscal year they are up 8.3%. That is a gain of \$15.4M for the fiscal year so far. During the quarter we had to move \$1.3M for benefit payments. Also in April we cashed out the PIMCO DISCO II fund and allocated amongst the managers and also kept some funds in the R&D account for cash flow. Currently the Plan's assets are at \$200,500,446 which is a new all-time high. He briefly reviewed each manager's performance and noted that TBC, TSW, Templeton Global Bond and JP Morgan Special Situations fund were down, but that was due to the market place. Overall the Plan is doing great and he does not have any recommendations at this time. The Board thanked Mr. Johnson for his guidance all of these years to get them to where they are now.

APPROVAL OF MINUTES

The Board reviewed the minutes of the regular meeting held on March 2, 2017.

- ***A motion was made by Brian Walker to approve the minutes of the regular meeting held on March 2, 2017. 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 presented by the Administrator. The motion received a second from Brian Walker and carried 4-0.***

BENEFIT APPROVALS

The Board reviewed the benefit approval list presented by the Administrator dated June 1, 2017 (1 application for retirement, 7 applications for distributions from DROP accounts for 7/1/2017, 4 applications for distributions from Share accounts for 7/1/2017, and 1 application for a refund of contribution).

- ***A motion was made by Ron Frano to approve the 1 application for retirement, 7 applications for distributions from DROP accounts for 7/1/2017, 4 applications for distributions from Share accounts for 7/1/2017, and 1 application for a refund of contribution. The motion received a second from Brian Walker and carried 4-0.***

FINANCIAL STATEMENTS

Ms. Ross provided the statement of income and expense and the balance sheet reports for April 2017. There were no questions from the Trustees.

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

Ms. Jensen reminded the Trustees that their Annual Form 1 Disclosure Form is due July 1, 2017.

Ms. Jensen presented the Board with a proposed fee increase. She thanked the Board for their long term relationship. She is proposing that she increase her hourly rate to \$265. She noted that all of her other clients are currently at an hourly rate of \$365. There was no fee guarantee proposed but the Board is asking for a 3 year fee guarantee at \$265/hour.

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- ***A motion was made by Brian Walker to approve Ms. Jensen's fee increase to \$265/hour with a 3 year fee guarantee effective July 1, 2017. The motion received a second from Guy Montante and carried 4-0.***

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

Ms. Ross presented the Board with the 2016 Share account allocations. This is for information purposes only and no action is required.

OTHER BUSINESS

Ms. Ross presented the Board with the Salem Trust March 31, 2017 report. This is for information purposes only and no action is required.

PUBLIC COMMENTS

N/A

There being no further business and the next Pension Board meeting having been previously scheduled for Thursday, August 3, 2017 @ 1:30 P.M., the meeting adjourned at 3:16 P.M. ***note – the May & July meetings were canceled***

Brian Walker, Secretary