

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

DECEMBER 7, 2017

Chairman Dave Merrell called the meeting to order at 1:32P.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
Mark Parks
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, KKJ&L
Cassandra Ward, KKJ&L
Kim Calhoun, Westwood Group
Dan Johnson, And Co. Consulting
Brendon Vavrica, And Co. Consulting
Rick Dorey, Retired Plan Member
Rick Roberts, Retired Plan Member
Tom Sheppard, Retired Plan Member

INVESTMENT MANAGER REPORT: WESTWOOD GROUP (PRESENTED BY: KIM CALHOUN)

Ms. Calhoun welcomed herself back and gave a brief update on the firm. They are now up to \$23.6B in assets firm wide with about \$8.3M invested with this Plan. Their headquarters remain in Dallas with some other offices in Toronto and Boston. They have 180 employees with about 23% employee ownership. Ms. Calhoun reviewed the US Value Equity strategy, in which this Plan is invested in, investment process and reminded the Board that they are a bottom up research stock picking firm. The common bonds add the most return to the fund and are currently the largest weighting. The Board discussed MLP's in which they have a small position in as well as REITS. Lastly Mrs. Calhoun discussed the performance and noted since 2006 to current they only had 2 negative years but overall they are doing well. Mr. Johnson stated that he does not have any concerns with Westwood as a firm or performance wise.

INVESTMENT CONSULTANT REPORT: ANDCO CONSULTING (PRESENTED BY: DAN JOHNSON & BRENDON VAVRICA)

Mr. Johnson introduced Mr. Vavrica and commented that he may be attending some of the future meetings on his behalf when there is conflict.

Mr. Johnson reviewed the November 30, 2017 flash performance report. For the quarter to date they are already up 3.4% and everything is going well.

Mr. Johnson reviewed the firm updates from TBC and TSW. TBC is owned by the Bank of New York which is now also merging with other firms now as well. Mr. Johnson stated that he does not anticipate any changes to their policies overall, but maybe a name change in the future. TSW's CCO left the firm recently although there is no concern here as the other CCO's have been there for a while. Mr. Johnson confirmed that he does not have any concerns or recommendations for either manager.

Mr. Johnson reviewed the Brown Advisory manager analysis. He stated that per the Board's request he added in an index fund to the search for comparison. He reviewed and compared the managers and their products. Mr. Johnson reminded the Trustees why they are doing this search and noted that his colleagues have had many conversations and visits with Brown and other than performance wise they

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have some concerns with the firm as well. AndCo is no longer recommending Brown going forward either, but ultimately it is up to the Board to keep them or not. The Trustees had a lengthy discussion on the numbers being presented for comparison purposes of the gross versus net. After a lengthy discussion the Board noted that they would like to interview ClearBridge and Polen Capital at the next meeting. Mr. Johnson confirmed he will invite both firms.

DISBURSEMENTS

The Board reviewed the disbursements presented for approval by the Administrator.

- ***A motion was made by Brian Walker to approve the disbursements presented by the Administrator. The motion received a second from Guy Montante and carried 5-0.***

BENEFIT APPROVALS

The Board reviewed the benefit approval list presented by the Administrator dated December 7, 2017 (16 applications for distributions from DROP & Share accounts for January 1, 2018).

- ***A motion was made by Ron Frano to approve the 16 applications for distributions from DRO & Share accounts for January 1, 2018. The motion received a second from Brian Walker and carried 4-0.***

FINANCIAL STATEMENTS

The Board reviewed the interim balance sheet and income and expense through October 2017.

- ***The Trustees received and filed the interim balance sheet and income and expense through October 2018.***

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

Ms. Jensen briefly reviewed her memo on the required minimum distributions-missing participants and beneficiaries. She stated that his Plan already has processes and procedures in place as the Administrator makes and keeps track of all the benefit payments for this Plan and already tracks the RMD for retirees. This is for informational purposes.

Ms. Jensen stated that overall the Chapter 175 monies have decreased State wide. She reached out to the Division of Retirement regarding this for a better explanation and understanding and she is still waiting on some kind of response from them.

Ms. Jensen stated that in between meeting she was contact from Bernstein Lebowitz regarding a class action case that they would like this Board to be a part of. This Plan would not be lead plaintiff in the case, but would be a part of the class action case to help expand it. Ms. Jensen stated that since this occurred in between meetings and had very little time to respond, Mr. Merrell signed the documents and now the Board needs to ratify that.

- ***A motion was made by Brian Walker to ratify the Bernstein Lebowitz class action filing documents. The motion received a second from Guy Montante and carried 5-0.***

Ms. Jensen notified the Board that 21 new hires recently started and they are in the process of collecting all the medical records.

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Ms. Jensen explained that this is proposed Bill regarding the unrelated business income tax. She stated that this usually has to do with the Real Estate investment managers and she spoke to JP Morgan regarding this and they confirmed they avoid this so they do not have to file. She will keep the Board updated on this as more information becomes available.

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

N/A

OTHER BUSINESS

N/A

PUBLIC COMMENTS

The retired plan members in attendance discussed the investment side and shared their thoughts on their past learning experiences on the Board. A request was made that the Board consider looking at passive investments on the domestic equity side when reviewing the accounts and managers as things have changed over the years and throughout the market place. The Trustee thanked the retirees for their interest and noted that they will consider their recommendation when reviewing the fund and the accounts.

There being no further business and the next Pension Board meeting having been previously rescheduled for Thursday, January 11, 2018 @ 1:30 P.M., the meeting adjourned at 3:25 P.M.

Brian Walker, Secretary