

# WEST PALM BEACH FIREFIGHTERS' PENSION FUND

## MINUTES OF MEETING HELD

### FEBRUARY 1, 2018

Chairman Dave Merrell called the meeting to order at 1:32P.M. in the Conference Room at Station 1, 3<sup>rd</sup> Floor; 500 North Dixie Highway, West Palm Beach, Florida. Those persons present were:

#### **TRUSTEES**

Dave Merrell, Chairman  
Guy Montante  
Mark Parks (departed 2:54pm)  
Ron Frano

#### **OTHERS**

Audrey Ross, Resource Centers  
Bonni Jensen, KKJ&L  
Julie Baker, And Co. Consulting  
Brendon Vavrica, And Co. Consulting  
Bob Williamson, Battea  
Gerry Boschwitz, Chicago Clearing Corp (CCC)

#### **INVESTMENT MANAGER INTERVIEWS:**

- **Battea – Presented by Bob Williamson**

Mr. Williamson introduced himself and reviewed what his firm does to assist Plan's as this one in class action recovery services. Battea has been in business for over 20 years with over 700 clients and over \$1B in asset recoveries. He explained that this overall industry is not regulated, is unaudited with no transparency, and has limited reporting. This is where his firm comes into play in helping to recovery the most for the Plan. His firm will file the actual class action and will be involved in the entire process from start to finish, until the Plan receives their money. Mr. Williamson walked through a recovery process and reminded the Board that his firm does not serve as a law firm that brings the actual case to the Board. Once the Board approves to move forward with filing a case, his firm will work closely with the Plan's Custodian in processing and filing everything to make sure all money is recovered and that there is nothing left on the table. The fees for this service are 12% of the recovery and Battea does not take on the fiduciary responsibility.

- **Chicago Clearing Corporation (CCC) – Presented by Gerry Boschwitz**

Mr. Boschwitz introduced himself and his firm. He commented that they are currently the claims filing administrator for Salem Trust, this Plan's Custodian. CCC works with defined benefit Plan's across the State of Florida such as this one. His firm manages the entire filing processing and they have been in business since 1993. They have recovered over \$43B in assets over the last 6 years. Mr. Boschwitz reviewed the claim filing process and noted that data is a huge piece of their business as they are constantly reviewing it. In this Plan's case, his firm already has all their data since they work with Salem Trust. The fee for their services is 15% whether the Board goes directly through his firm or through Salem Trust and CCC does take the fiduciary responsibility on behalf of the Plan. Ms. Jensne noted that Salem Trust previously stated that the fee for this service was 20% and not 15%. Since 2013 CCC has recovered \$40K for this Plan alone.

The Trustees had a lengthy discussion on the claims filing and the two presenters today. The tabled the discussion until they receive more information from Salem Trust at this point.

#### **INVESTMENT CONSULTANT REPORT: ANDCO CONSULTING (PRESENTED BY: JULIE BAKER & BRENDON VAVRICA)**

Mr. Vavrica briefly mentioned that Dan Johnson is now one of the partners with AndCo. He reviewed the Plan's December 31, 2017 performance report and noted that the Plan was up 4.21% for the quarter which was slightly behind the index at

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4.30%, although this was still a gain of \$8.9M for the quarter. He reviewed the asset allocation and did not make any recommendations for rebalancing. Mr. Vavrica reviewed each manager's performance and noted that they will discuss the large cap growth in more detail shortly. Overall the fund had a great start to the new fiscal year.

Mr. Vavrica reviewed the January 30, 2018 flash performance report and noted that the fund is up another 3.6% for the month and now 8.1% for the fiscal year to date. Total assets have now increased to \$225.7M.

The Board reviewed and discussed the large cap managers and fund. Ms. Baker reviewed and compared the managers rolling excess returns to the index over different time periods. She also discussed Brown's recent underperformance which was mostly due to their poor stock selection. Ms. Baker confirmed that Brown has not changed their investment strategy but she explained some things that have recently raised a red flag in regards to their stock selection and in addition to their change in personnel more recently. Brown is no longer on AndCo's recommendation list of managers for the large cap area. The Board had a very lengthy discussion on the other managers in the report in comparison to Brown. Ms. Baker reminded the Trustees that AndCo's current recommendation is to "seek an alternative" and is not a "termination" recommendation at this point. The Trustees concurred that they will continue this discussion and will seek a motion of some sort at a future meeting when all 5 Trustees are present.

#### **MINUTES**

The Board reviewed the minutes of the January 11, 2018 meeting.

- ***A motion was made by Ron Frano to approve the minutes of the January 11, 2018 meeting as revised. The motion received a second from Brian Walker 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 Guy Montante and carried 4-0.***

#### **BENEFIT APPROVALS**

The Board reviewed the benefit approval list presented by the Administrator dated February 1, 2018 (1 application for a refund of contributions).

- ***A motion was made by Ron Frano to approve the 1 application for a refund of contributions. The motion received a second from Guy Montante and carried 4-0.***

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

Ms. Jensen stated that IRS mileage rate increased effective January 1, 2018 to .545 cents per mile.

Ms. Jensen briefly reviewed SB980 which would require additional Actuary reporting requirements. This Bill has not passed but she will keep the Board updated.

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

N/A

**OTHER BUSINESS**

Mr. Walker confirmed that new hires have 30 days after they complete their training to respond to the waivers. Ms. Jensen confirmed that it is 30 days after completing training and not 30 days after being hired.

The Board briefly discussed the next retirement dinner which would be held in the beginning of 2019. There is only one member that has retired in the last 2 years so they did not know if it was necessary to hold a dinner for this one member. The Trustees discussed and noted that they will discuss other options with the member to recognize him in some other way or at some other event.

**PUBLIC COMMENTS**

N/A

There being no further business and the next Pension Board meeting having been previously rescheduled for Thursday, March 9, 2018 @ 1:30 P.M., the meeting adjourned at 4 P.M.

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Brian Walker, Secretary