

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

MAY 3, 2018

Secretary Brian Walker 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

Brian Walker, Secretary
Guy Montante
Mark Parks

OTHERS

Audrey Ross, Resource Centers
Scott Baur, Resource Centers
Bonni Jensen, KKJ&L
Brendon Vavrica, AndCo. Consulting
Karen Russo, Salem Trust Company
Rick Dorey, Retired WPB Firefighter

CUSTODIAN REPORT: SALEM TRUST COMPANY (KAREN RUSSO)

Ms. Russo provided the Board with a letter from Salem Trust regarding their information technology security. They recently added some new features and new processes were put into place to prevent theft and secured information from being released. Salem Trust also added cyber liability coverage of \$5M to their business insurance as well.

Ms. Russo briefly reviewed the March 31, 2018 quarterly custodial report.

Ms. Russo stated that she is aware that this Plan is now processing their class actions directly through CCC, but she wanted to notify the Board that CCC has also come down on their fee through Salem Trust as well from 20% to 12%. Ms. Jensen stated that this Board may want to discuss in the near future of going back through Salem Trust or staying with CCC as the fees are the same and some other areas of concern.

INVESTMENT CONSULTANT REPORT: ANDCO. CONSULTING (BRENDON VAVRICA)

Mr. Vavrica reviewed the March 31, 2018 quarterly performance report. During the quarter interest rates rose dramatically and therefore the bond prices went down. The Plan ended the quarter with \$216.9M in assets, which was a gain of \$1.8M for the quarter and \$10.8M for the fiscal year. The Plan remained positive for the quarter at 0.74% versus the index which was slightly negative at -0.36%, but for the fiscal year to date they remain ahead at 4.98% versus 3.93%. Mr. Vavrica briefly reviewed each managers performance during the quarter and noted that all the managers outperformed their relative indexes except for the Templeton Global Bond and the 2 alternative funds Westwood and Blackrock. Overall the fund is doing well and he does not have any recommendations at this time regarding rebalancing or the managers, other than the current transition we are going through from Brown to Polen Capital.

Mr. Vavrica reviewed the April 30, 2018 flash performance report and noted that for the quarter to date the fund barley remains positive at 0.3%, but for the fiscal year to date they are up 5.5%. The Plan is doing very well and ahead of most of their peers.

Mr. Vavrica briefly reviewed the Callan table which reflects the annual asset classes by performance from 2003 to 2017. This is for informational purposes only.

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Lastly he provided the Board with a handout regarding the S&P500 historical return which he thought was interesting. This graph reflects the beginning of the down markets and the rebounds through different time periods. It took 774 days for the market to recover from the last major pullback in 2012, and in January 2018 the market when down 10.10% in 9 days and it still has not recovered from that yet. This is for information purposes only.

- ***A motion was made by Brian Walker to approve and authorize the transition from Brown Advisory to Polen Capital contingent on the Plan's Legal Counsel reviewing Polen's contract as well as implementing a 6 month fee delay. The motion received a second from Mark Parks and carried 4-0.***

MINUTES

The Board reviewed the minutes of the April 5, 2018 meeting.

- ***A motion was made by Mark Parks to approve the minutes of the April 5, 2018 meeting. The motion received a second from Guy Montante and carried 3-0.***

DISBURSEMENTS

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

- ***A motion was made by Mark Parks to approve the disbursements presented by the Administrator. The motion received a second from Guy Montante and carried 3-0.***

BENEFIT APPROVALS

The Board reviewed the benefit approval list presented by the Administrator dated May 3, 2018 (1 application for a refund of contributions).

- ***A motion was made by Guy Montante to approve the 1 application for a refund of contributions. The motion received a second from Mark Parks and carried 3-0.***

FINANCIAL STATEMENTS

The Board reviewed the interim balance sheet and income and expense through March 2018.

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

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

Ms. Jensen reminded the Trustees that their 2017 Annual Form 1 Disclosure is due July 1, 2018.

Ms. Jensen stated that she reached out to the Union to notify them that the Pension Board is doing an experience study regarding lowering the Plan's assumed rate of return.

ADMINISTRATOR REPORT: RESOURCE CENTERS (PRESENTED BY: AUDREY ROSS & SCOTT BAUR)

Mr. Baur explained that he has made process with revising the Share accounts and explained what steps were taken. He went back to 2015 and re-credited the

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accounts with the correct allocations as well as the earned interest that was also carried forward. These transactions will be added to the members October 1, 2017 Share account statements so that they are only receiving one revised statement and not three. Also a cover letter will be provided explaining this as well. The accounts have been reprogramed and now we are just in the process of producing the actual statements.

Ms. Ross presented the Board with the fiscal year September 30, 2017 Administrative Budget. She reminded the Board that this is an exercise they complete each year as required by the Division of Retirement.

- ***A motion was made by Guy Montante to approve September 30, 2017 Administrative Budget as presented. The motion received a second from Mark Parks and carried 3-0.***

OTHER BUSINESS

The Trustees briefly discussed the Plan's early retirement benefit. There is an early retirement benefit payable under this Plan at a reduced rate of 3% per year.

PUBLIC COMMENTS

N/A

There being no further business and the next Pension Board meeting having been previously scheduled for Thursday, June 7, 2018 @ 1:30 P.M., the meeting adjourned at 2:54 P.M.

Brian Walker, Secretary