

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
NOVEMBER 1, 2018

Chair David Merrell called the meeting to order at 1:33P.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
Ron Frano
Guy Montante
Mark Parks

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Brendon Vavrica, AndCo Consulting
Rick Dorey

INVESTMENT CONSULTANT REPORT (Brendon Vavrica, AndCo Consulting)

Mr. Vavrica reviewed events driving the mark during the quarter ending September 30, 2018. Interest rates continued to rise during the quarter, resulting in losses to fixed income assets. The economy and the overall market, meanwhile, remained strong through the end of the quarter. Mr. Vavrica reported that the investment portfolio assets increased to \$224,254,629 as of September 30, 2018. He stated that the asset allocation fell in line with target allocations set by the Investment Policy, so he did not recommend any rebalancing to the portfolio at this time.

The portfolio gained 4.01% net of investment fees for the quarter ending September 30, 2018, compared to a return of 4.07% for the benchmark. For the fiscal year, the assets gained 11.69% net compared to 10.18% for the benchmark to finish in the top 6th percentile of the comparison manager universe. Net gains of 9.09% for the trailing 5 years finished in the top 7% of the comparison manager universe. Mr. Vavrica stated that the assets performed very well in both absolute terms and in comparison to other public plans. Mr. Vavrica then reviewed the performance for individual managers, noting that all managers had strong results except for Thompson Siegal Whalmsley, EuroPacific Growth Fund, and Garcia Hamilton, but these managers all had strong longer-term performance.

Mr. Vavrica reported the portfolio lost 6% as of October 31, 2018, in line with losses in the broader market. He also notified the Board that the lead portfolio manager for Westwood will retire in March 2019. With other firm changes, AndCo has concerns about continuing with Westwood over the longer term. He proposed a manager search to replace Westwood rather than consolidating the portfolio in BlackRock. He will provide global tactical allocation alternatives to replace Westwood at the December monthly meeting.

MINUTES

The Board reviewed the minutes of the October 4, 2018 meeting.

- *Ron Frano made a motion to approve the minutes of the October 4, 2018 meeting. The motion received a second from Guy Montante, approved by the Trustees 4-0.*

DISBURSEMENTS

The Board reviewed the disbursements for accounts payable presented by the Administrator.

- *Ron Frano made a motion to approve the accounts payable for November 1, 2018. The motion received a second from Mark Parks, approved by the Trustees 4-0.*

BENEFIT APPROVALS

The Board reviewed the benefit approvals presented by the Administrator for November 1, 2018.

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- *Ron Frano made a motion to approve the benefits for November 1, 2018. The motion received a second from Guy Montante, approved by the Trustees 4-0.*

FINANCIAL STATEMENTS

The Board received and filed the interim financial statement through September 30, 2018.

ATTORNEY'S REPORT (Bonnie Jensen, Klausner Kaufman Jensen & Levinson)

Ms. Jensen presented Resolution 1, appointed the Resource Centers as the Records Management Liaison Officer (RMLLO) for the Pension Fund.

- *Mark Parks made a motion to adopt the resolution appointing the Resource Centers as the Records Management Liaison Officer for the Pension Fund. The motion received a second from Ron Frano, approved by the Trustees 4-0.*

Ms. Jensen then updated the Board regarding the status of the Special Act change, changing the investment return assumption and other minor modifications affecting administration of the Pension Fund. Ms. Jensen also reported that Salem Trust, custodian for the Pension Fund assets, provided a clean opinion on the most recent SSAE-18 audit report of internal controls and procedures in place at the firm.

ADMINISTRATOR REPORT (Audrey Ross, Resource Centers)

Ms. Ross presented the renewal for the cyber liability insurance policy.

- *Mark Parks made a motion to approve the cyber liability insurance renewal. The motion received a second from Guy Montante, approved by the Trustees 4-0.*

OTHER BUSINESS


The Trustees had no other business for consideration.

PUBLIC COMMENTS

No member of the public had any comment.

ADJOURNMENT

There being no further business and the next Pension Board meeting having been previously scheduled for Thursday, December 6, 2018 @ 1:30 P.M., the meeting adjourned at 2:17 PM.



Brian Walker, Secretary