

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
June 6, 2019

Mark Parks called the meeting to order at 1:31 P.M. in the Training Room at Fire Station 1, 3rd Floor, 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

TRUSTEES

Mark Parks
Ron Frano
Brain Walker
Guy Montante

OTHERS

Wanda Gordon & Margie Adcock, Administrator (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Meghan Timbas (Mellon - formally Boston Company)
Brendon Vavrica (AndCo)
Rick Dorey

MINUTES

The Board reviewed the minutes of the May 2, 2019 meeting.

- *Ron Frano made a motion to approve the minutes of the May 2, 2019 meeting. The motion received a second from Guy Montante, approved by the Trustees 4-0.*

INVESTMENT CONSULTANT REPORT: ANDCO CONSULTING (BRENDON VAVRICA)

Mr. Vavrica briefly reviewed the May 31, 2019 flash performance report. He reported the fund was roughly down -4.0% for the month of April and up 3.0% for May. He reported trade discussions had deteriorated and interest rates continue to fall. Mr. Vavrica reported the first few days in June the fund was recovering well and still maintained positive positions; however it was down -1.0% for the fiscal year to date. He reported the Yield Curve was signaling a recession however all other indicators are still doing well. He does not have any concerns or recommendations at this time.

INVESTMENT MANAGEMENT REPORT: MELLON (MEGAN TIMBAS)

Ms. Timbas gave a brief update on the firm noting that it has been 1 ½ years since the merger with Mellon and everything was running smoothly. She reported they were on target with combining both back offices. Ms. Timbas also stated that there have been no changes to this Plan's investment team or process. She thanked the Board for being a long term client.

Ms. Timbas discussed the firm's Time-Tested Investment Philosophy, noting her firm focuses on three main factors, attractive valuation, strong fundamentals and business improvement. She commented briefly on each topic which started with valuation. She reported her firm never wants to overpay for security because they were using capital risk and high valuation. She next commented on strong fundamentals stating; her firm wants an attractive valuation to be accompanied with strong fundamentals being very solid at a company level. Lastly she reported on business improvement stating; her firm looks for catalysts that are going to unlock the valuation, noting this approach has proven to work over time.

Ms. Timbas went on to report for the quarter the S&P 500 drawdown was driven by the trade war. She continued to report that the 4Q18 value has been challenged. She reminded the Board underperformance was short lived and reported long-term numbers are very strong. Stocks began to outperform 1Q19, only behind by 60 basis points to date. She stated her firm does not chase the market and that overtime their approach does add value. She reported the bond proxy stocks were underweight in this area which has been a choppy environment. She went on to report that CVS was a big detractor with Vulcan being in the top 5 for weight. She mentioned Vulcan has a lot of earning power, thus the reason for remaining in the top 5. She also noted the fund was strong in IT services. She reported mortgage rates stayed the same and that the firm is finding new opportunities with regards to housing materials. She further went on to discuss the characteristics of price to earnings, price to value noting that the price was cheaper than the market. She further reported the fund has a number of holdings in the portfolio that are positioned well. She

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF June 6, 2019

concluded by saying, "her firm's characteristics are cheapest in history and that they stick to what they do and do what the Board hired them to do".

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

Ms. Jensen reported on IRS Publication 5307 (Rev 10-2018) – Tax Reform, Basics for Individuals and Families. She noted the recent change added a provision for alimony and separate maintenance payments. Ms. Jensen stated since the Board was the contact for alimony, the Board should consider having this information added to the Summary Plan Description. She also stated a memo can be created to let retirees know alimony is now tax deductible and that this tax can be passed on to the receiver. A brief discussion ensued between Mr. Dorey and Ms. Jensen regarding this information. The discussion was regarding the information being provided in a memo specifically so members could provide a copy to their attorney.

Ms. Jensen reported the HB 901 – Special Act was signed into order at 7.5%. There was a brief discussion between the Board regarding assumed rate and the numbers fluctuating.

ADMINISTRATOR REPORT (Wanda Gordon, Resource Centers)

Ms. Gordon handed the Trustees who were present their International Foundation of Employee Benefit Plans (IFEBP) welcome packets. She further explained the packets contained the trustee's membership cards and that these cards can be used to help them register for upcoming IFEBP events.

DISBURSEMENTS AND FINANCIAL STATEMENTS

The Board reviewed the Warrants for payments by the Administrator, the Warrants for payments by the custodian, and the Warrants for pending invoice payments dated June 6, 2019.

- *Ron Frano made a motion to approve the Warrants dated June 6, 2019, for paid and pending disbursements. The motion received a second from Brian Walker, approved by the Trustees 4-0.*

The Interim Financial Statements were presented in the packet for review.

BENEFIT APPROVALS

The Board reviewed the benefit approvals presented by Ms. Gordon for June 6, 2019.

- *Brian Walker made a motion to approve the benefit approvals for June 6, 2019. The motion received a second from Ron Frano, approved by the Trustees 4-0.*

OTHER BUSINESS

Ms. Jensen brought before the Board a request from Hazel Grimes to designate her trust as the designated beneficiary on her Share and Drop accounts. There was a discussion amongst Bonni and the Board. Bonni stated she spoke with Scott Baur who recommended not allowing the trust to be a beneficiary until we amend the ordinance. Mr. Jensen further discussed creating a policy until there could be a special act change. In conclusion she stated her office would send a follow up letter to Ms. Grime's attorney regarding the Boards decision to not accept the Trust as a beneficiary.

- *Ron Frano made a motion to approve the creation of a policy to allow for a trust as a beneficiary only if there is a lump sum payment to the trust. The motion received a second from Mark Parks, approved by the Trustees 4-0.*

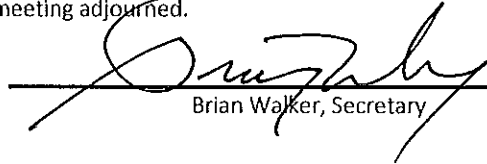
WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF June 6, 2019

PUBLIC COMMENTS

No members of the public had any comment

ADJOURNMENT

There being no further business and the next Pension Board meeting having been previously scheduled for Thursday, August 1, 2019 @ 1:30 P.M, the meeting adjourned.



Brian Walker, Secretary