

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD

September 5, 2019

Dave Merrill 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

Dave Merrill
Brian Walker
Guy Montante
Ron Frano

OTHERS

Scott Baur, Administrators (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Brendon Vavrica (AndCo)
Stephen Atkins (Polen Capital)
Anthony Xuereb (Polen Capital)

MINUTES

The Board reviewed the minutes of the August 1, 2019 meeting.

- *Brian Walker made a motion to approve the minutes of the August 1, 2019 meeting. The motion received a second from Guy Montante, approved by the Trustees 4-0.*

INVESTMENT MANAGER REPORT: POLEN CAPITAL (STEPHEN ATKINS & ANTHONY XUERB)

Mr. Anthony Xuereb thanked the Board and gave a brief update on the firm. He reported that employees increased ownership to 71%, noting the firm added 22 new employees in the past 12 months. He further reported the firm manages \$28.3 Billion in total assets, \$27.6 Billion in Focus Growth Strategy. The firm has focused on increasing institutional clientele. The investment team had no departures, and some additions. Mr. Stephen Atkins reviewed the strategy, reporting that Polen runs a concentrated high quality growth portfolio; consisting of companies with a strong balance sheet, free cash flow, revenue growth, and a competitive advantage. Polen constructs their portfolio taking a bottom-up approach, not to match any index or benchmarks. The portfolio has very low turnover and a 5 year average holding period. Mr. Atkins reviewed current portfolio holdings noting that the strategy returned 25.61% net calendar YTD for 2019 compared to 24.24% Russell 1000 Growth benchmark. The trailing 12 months period was 17.99% compared to the benchmark of 10.84%. Since June 5, 2018, West Palm Beach Fire inception, the portfolio was at 17.73% compared to 11.07% benchmark. The portfolio had \$31,897,406 in assets as of June 30, 2019. Mr. Atkins reviewed the portfolio changes, reporting the manager finds substantial value in Google & Facebook. He also reported that 47.6% of the portfolio is classified to the technology sector. Mr. Atkins further reported Polen does not see any rotation from growth to value and that Fundamentals appear to be the continuing driver of growth companies, unlike the internet bubble in the late 1990's.

INVESTMENT CONSULTANT REPORT: ANDCO CONSULTING (BRENDON VAVRICA)

Mr. Vavrica reviewed the Fiscal Year to Date performance reporting the Pension Fund assets gained 3.1% through August 31, 2019. He reviewed the process to raise cash, working to maintain asset allocation and drawing from managers like Polen with the best recent performance. He reviewed performance of value issues historically compared to growth issues. Since 2007, growth has outperformed value. Over longer periods the market rotates periodically between value and growth.

Mr. Vavrica reviewed the performance of the S&P 500 since 2007, showing drops of more than 5% and the time to recover. He also reviewed market performance less than best and the worst market days.

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

Ms. Bonni Jensen provided the addendum for AndCo with the new retainer fee agreement. The addendum addresses both ADA compliance and Cyber Liability Insurance. Ms. Jensen has the fee component as a separate addendum available to the Board for execution. She is also working on the additional items for ADA Compliance and Cyber Liability.

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- *Brian Walker made a motion to approve the Fee Addendum for AndCo. The motion received a second from Ron Frano, approved by the Trustees 4-0.*

Ms. Jensen reviewed the revised policy for trust to be a beneficiary of Drop & Share accounts, noting any trust as a beneficiary must take an immediate distribution of the assets.

- *Ron Frano made a motion to approve the Policy for Trust to be a Beneficiary. The motion received a second from Brian Walker, approved by the Trustees 4-0.*

The Board discussed the mechanics of a distribution on death to a trust for a member or beneficiary.

Ms. Jensen reported legislation is already in play to clarify some of the new cancer presumption benefits. She recommended the Board add language to the Special Act the next time the plan gets amended. Ms. Jensen's office will develop a policy to cover the gap.

ADMINISTRATOR REPORT (Scott Baur, Resource Centers)

Mr. Scott Baur provided updated information on deceased members to the Department for the Retirement Dinner yearbook.

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 September 5, 2019.

- *Brian Walker made a motion to approve the Warrants dated September 5, 2019, for paid and pending disbursements. The motion received a second from Ron Frano, 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 the Administrator for September 5, 2019.

- *Ron Frano made a motion to approve the benefit approvals for September 5, 2019. The motion received a second from Guy Montante, approved by the Trustees 4-0.*

There was a brief discussion regarding the Retirement Dinner. It was noted the date of the dinner will be January 25, 2019. Mr. Baur mentioned having a stuffer created that would be included with the monthly retirement check or deposit advice. Also discussed, was that the retired members do not have an ID card for discounts.

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, November 7, 2019 @ 1:30 P.M, the meeting adjourned.



Brian Walker, Secretary