

WEST PALM BEACH FIREFIGHTERS' PENSION FUND

MINUTES OF MEETING HELD

December 2, 2021

1. Dave Merrell called a regular meeting of the Board to order at 1:36 PM. Mr. Baur called roll for the Board. Those persons present included:

TRUSTEES

Dave Merrell, Chair
Brian Walker, Secretary
Elizabeth Fugler
Sophia Loren-Taylor
Jeff Stefaniak

OTHERS

Scott Baur, Administrator (Resource Centers)
Brendon Vavrica, Investment Consultant (AndCo)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Janna Hamilton & Benjamin Monkiewicz, Investment Manager (Garcia Hamilton)
Tracey Sheak & Nancy Kulesa, Securities Litigation Firm (BFA Law)
Mayor Keith James
Rick Dorey, Member
Jayson French, Member

2. APPROVAL OF MINUTES

The Board deferred approval of the minutes for the November 4, 2021 meeting.

3. REPORTS

Securities Monitor Presentation: Bleichmar Fonti & Auld LLP (Tracey Sheak and Nancy Kulesa)

Tracey Sheak introduced herself and the Bleichmar firm. She explained the types of cases and class action matters that her firm monitors and litigates. Nancy Kulesa addressed the Board as a partner in the firm with 20 years of securities litigation experience and \$11 billion in recoveries on behalf of firm clients. She explained the qualities that distinguish her firm from other similar firms. Bleichmar carefully selects cases to pursue, bringing a high-quality strategy to cases and claims based on the merits. The firm does not take a cut of recoveries for international cases, providing impartial advice in these matters. She reviewed the differences between international litigation and domestic cases.

Bleichmar works seamlessly with the Board custodian to obtain any necessary data related to holdings, and Ms. Kulesa reviewed sample reports and online access to firm matters. She also provided examples of successful litigation from securities cases, along with some current pending cases. The firm currently includes 38 attorneys. If the Board retains the firm, Ms. Kulesa will remain as the primary Board contact, although all litigation matters automatically include at least 2 attorneys of the firm. The firm typically files about 20 select cases each year. The firm does partner with other firms to litigate international cases due to the different requirements to represent clients in different places. The typical case lasts about 5 years, although some cases have lasted as long as 10 years.

Manager Presentation: Garcia Hamilton (Janna Hamilton & Benjamin Monkiewicz)

Janna Hamilton reported that the firm had some recent challenges managing a high-quality fixed income portfolio. Over longer periods, however, the manager meets and exceeds portfolio benchmarks. The fixed income portfolio performed under the benchmark in 2 recent years.

Ben Monkiewicz explained how the firm positioned the fixed income portfolio in 2019 for higher interest rates. Interest rates then dropped as trade conflicts increased. The COVID crisis caused further decreases in interest rates, although the manager still performed above the benchmark for 2020 due to an overweight in corporate holdings. The manager expects more persistent inflation to result in higher interest rates, so the manager currently has shorter duration holdings in the portfolio. Fiscal stimulus in historic terms remains high, exceeded only during WWII by the amounts of stimulus in short time periods. The money supply grew by 25% in 2020, leading to significant inflationary pressures; higher prices and inflation will lead to higher interest rates. The ratio of unemployed workers to job openings also dropped radically in historic terms, leading to rapid wage growth as employees have increasing leverage. The federal reserve balance sheet doubled during this time to \$8.5 trillion.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF DECEMBER 2, 2021

Mayor Keith James

Mayor James joined the meeting and thanked the Trustees for their service. He reported that the City passed a balanced budget with significant pay increases for employees in appreciation of their service. He thanked the public safety employees for their service and dedication during the COVID pandemic.

Ben Monkiewicz continued. Recently, low quality fixed income securities that the manager does not hold in the portfolio had the largest gains. Persistent government intervention has distorted the markets, but the manager believes that such intervention will end quickly. He reviewed the current portfolio holdings, defensive in posture. Garcia Hamilton sees inflation as the main driver in the markets going forward. Even increased infrastructure spending will create further inflationary pressures on the cost of materials.

Investment Consultant: AndCo (Brendon Vavrica)

Brendon Vavrica provided an update on the Pension Fund holdings as of November 30, with assets up 1.8% to \$319 million for the fiscal year to date. He differentiated between the Garcia Hamilton and Dodge and Cox fixed income holdings in the portfolio.

Ms. Jensen reported that she has the agreement for DePrince Race Zollo ready for signature, with the agreement for Abel Noser to transition the small cap value portfolio from TSW still in progress. Mr. Vavrica expects the transition to take place right after the beginning of the calendar year. The Board briefly discussed opportunities in private equity investments. The Trustees then considered the securities monitoring and litigation presentation by the firm Bleichmar, Fonti, and Auld.

- **Elizabeth Fugler made a motion to add BFA to provide portfolio monitoring services for potential class action securities litigation matters. The motion received a second from Sophia Taylor, passed by the Trustees 5-0.**

Attorney Report: Klausner Kaufman Jensen & Levinson (Bonni Jensen)

Ms. Jensen updated the Board on proposed changes to the benefits for COVID presumption pending in the Florida legislature. The federal government also increased the death benefit for duty related deaths to \$390,000, extended for presumption for the longer of 2 years or the end of the COVID.

Administrator Report: Resource Centers (Scott Baur)

The Board considered the renewal of the cyber insurance policy, with a renewal premium of \$5,865. For \$1,000,000 coverage and \$5,000 retention. Cyber premiums increased substantially from the prior year.

- **Brian Walker made a motion to renew the cyber insurance policy with Axis. The motion received a second from Jeff Stefaniak, passed by the Trustees 5-0.**

Mr. Baur provided the Board with an updated list of conferences and educational opportunities in 2022. The Board discussed the upcoming FPPTA Winter Trustee school. Mr. Baur also provided the Board with meeting dates for 2022 based on the regular Board meeting schedule.

4. PLAN FINANCIAL REPORTS

The Board received and reviewed the interim financial statement through September 30, 2021. The Trustees then reviewed the warrants for payment of expenses.

- ***Elizabeth Fugler made a motion to approve the Warrants dated December 2, 2021, for paid and pending invoices. The motion received a second from Sophia Taylor, approved by the Trustees 5-0.***

5. BENEFIT APPROVALS

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF DECEMBER 2, 2021

The Board reviewed the benefits for approval, noting corrections to payment dates on a refund benefit. Retired member Joseph Marte passed away.

- *Brian Walker made a motion to approve benefits for Gary Dolins and Lois Bell. The motion received a second from Jeff Stefaniak, approved by the Trustees 5-0.*

6. OTHER BUSINESS

The Board updated signature authorizations for JP Morgan and other managers. Brian Walker reported that the Board will not have a retirement dinner in 2022, but the Pension Fund now has about 14 member retirements to honor.

7. ADDITIONAL REPORTS

The Trustees received additional investment manager reports.

8. PUBLIC COMMENTS

No members of the public had any comment.

9. ADJOURNMENT

There being no further business and the Board having previously scheduled the next regular meeting for Thursday, January 6, 2022 @ 1:30 P.M., the Chair adjourned the meeting at 3:12 PM.

Brian Walker, Secretary