

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD

June 9, 2022

1. Dave Merrell called a quarterly meeting of the Board to order at 1:35 PM. Mr. Baur called roll for the Board. Those persons present included:

TRUSTEES

Dave Merrell, Chair
Brian Walker, Secretary
Bridget Souffrant

OTHERS PHYSICALLY

Scott Baur, Administrator (Resource Centers)
Brendon Vavrica, Investment Consultant (AndCo)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)

OTHERS ELECTRONICALLY

Bill Adams and Amanda Long, Investment Manager (Newton)

Dave Merrill reordered business on the Agenda expecting the Board to lose a quorum during the meeting.

2. **APPROVAL ITEMS**

Brian Walker presented a "Frequently Asked Questions" related to the recently approved supplemental distribution in response to questions that he and others received following the May 5 meeting. Members of the plan incorrectly linked the creation of a reserve to the payment or amount of the supplemental distribution. The actuary also reviewed his draft of the document. The Board directed the administrator to include the FAQ document with the supplemental distribution payments with any additional corrections or changes.

- **Brian Walker made a motion to distribute the Q&A related to the supplemental distribution with the payments issued to members. The motion received a second from Bridget Souffrant, approved by the Trustees 3-0.**

The Board thanked Brian for the time he invested into the additional communication with the members of the plan.

The Board reviewed benefits pending approval. The Board had previously deferred approval of the May 5 benefits due to questions about the optional form of benefit payment selected by one of the retiring members. Mr. Baur confirmed the choice made by the member.

- **Brian Walker made a motion to approve the benefits for May 5 and June 9, 2022. The motion received a second from Bridget Souffrant, approved by the Trustees 3-0.**

The Board reviewed current and pending expenses for approval.

- **Brian Walker made a motion to approve the Warrants dated June 9, 2022 for paid and pending expenses. The motion received a second from Bridge Souffrant, approved by the Trustees 3-0.**

The Board reviewed the minutes for the May 5, 2022 quarterly meeting.

- **Bridget Souffrant made a motion to approve the minutes for the meeting on May 5, 2022. The motion received a second from Brian Walker, approved by the Trustees 3-0.**

The Board briefly considered the retirement application received from former plan member Rick Curtis. Mr. Curtis requested the opportunity to appear in person when the Board considers his application. Dave Merrell recounted that Mr. Curtis, previously a vested plan member terminated by the City leaving him with a deferred benefit, appeared in person before the Board with his attorney when he applied to take a refund of his contributions from the Pension Fund. Mr. Curtis signed a release at the time acknowledging that he would receive no other or future benefit from the Pension Fund once he took a refund of his own

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contributions. Mr. Curtis did not get his job back with the City of West Palm Beach in the Fire Department. Dave Merrell does not believe that Mr. Curtis is entitled to any further benefit from the Pension Fund.

Ms. Jensen advised that Mr. Curtis wants a date to appear before the Board. The Board considered the schedule for upcoming meetings.

- **Bridget Souffrant made a motion to begin the August 4, 2022, Quarterly Meeting at 1:00 PM to hear Mr. Curtis first on the agenda. The motion received a second from Brian Walker, approved by the Trustees 3-0.**

Mr. Baur stated that he already placed documents in a secure access folder for the Trustees to review, including the waiver signed by Mr. Curtis when he took a refund of his contributions. Ms. Jensen briefly explained the process for the Board to review the application. If the Board denies his application for a retirement benefit, Mr. Curtis can appeal the decision to a formal hearing by the Trustees.

3. REPORTS

Investment Manager: Newton (Bill Adams and Amanda Long)

Amanda Long thanked the Board, now one of the longest standing clients of Newton. Bill Adams reported that the large value strategy returned 23.15% for the trailing 12 months compared to a gain of 11.67% for the benchmark. Over the trailing 10 years, the portfolio gained 14.36% on average annually compared to 11.7% for the benchmark. The portfolio currently overweights materials, energy and utility holdings, which all made a strong positive contribution to performance for the current year to date. Mr. Adams noted that demand for oil remains fairly constant.

Mr. Adams further discussed the various sectors and trends also contributing to positive performance against the backdrop of a slowing economy with persistent inflation. Consumer spending seems to be slowing. Historically value stocks returned 420 bp on average more than growth stocks, and growth stocks remain highly valued compared to value stocks by historical standards. The more expensive stocks in the market now have more earnings revisions. Newton believes that pressures to increase interest rates will continue. The manager looks for holdings specifically with pricing power and higher margins, and Newton continues to find attractive values in the market.

Investment Consultant: AndCo (Brendon Vavrica)

Brendon reported that the assets returned -6.6% for the current fiscal year to date through May 31. Newton strongly outperformed their benchmark, while Polen performed under the benchmark in the growth space. The markets, meanwhile, seem to have taken a pause. He compared market drawdowns historically with the current market correction. Over the past 15 years, the equity markets returned only -0.09% on average omitting the 20 best days.

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

Ms. Jensen provided a restated agreement for the administrator and an actuarial funding policy for the contribution stabilization reserve.

Administrator Report: Resource Centers (Scott Baur)

Mr. Baur provided the Board with an update on the processing of the supplemental distribution.

4. OTHER BUSINESS

The Board had no other business for consideration.

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5. ADDITIONAL REPORTS

The Trustees received additional investment manager reports.

6. PUBLIC COMMENTS

No members of the public had any comment.

7. ADJOURNMENT

There being no further business and the Board having previously scheduled the next regular meeting for Thursday, August 4, 2022 @ 1:00 PM, the Chair adjourned the meeting at 2:45 PM.

Brian Walker, Secretary