Chair Dwight Mattingly called the meeting to order at 8:32 AM at 50 S. Military Trail, West Palm Beach, FL, 33415. Those persons present included:

<table>
<thead>
<tr>
<th>TRUSTEES</th>
<th>OTHERS PRESENT</th>
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<tbody>
<tr>
<td>Dwight Mattingly, Chair</td>
<td>Ken Harrison, Sugarman &amp; Susskind</td>
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<td>Sean Smith</td>
<td>Bonni Jensen, Klausner, Kaufman, Jensen &amp; Levinson</td>
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<td>Lisa Pontius</td>
<td>Frank Wan, Burgess Chambers &amp; Associates</td>
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<td>Chad Little, Freiman Little Actuaries</td>
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<td></td>
<td>Mary Shah, Strategic Benefits Advisors</td>
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<td>Stephanie Atli, Strategic Benefits Advisors</td>
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<td>Betty Garrett, Palm Tran Payroll</td>
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<td>Maggie St. Fleur, Palm Tran HR</td>
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<td></td>
<td>Karen Russo, Salem Trust Company</td>
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<td>Alisa Train, Cherry Bekaert</td>
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<td>Matt Stuart, Scout Investments</td>
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APPROVAL OF THE AGENDA

Lisa Pontius made a motion to approve the Agenda, seconded by Sean Smith, and approved by the Trustees 3-0.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF THE MINUTES

Lisa Pontius made a motion to approve the Minutes for the Quarterly Meeting of March 7, 2019. Sean Smith seconded the motion, approved by the Trustees 3-0.

REPORT FROM AUDITOR: ALISA TRAIN (CHERRY BEKAERT)

Alisa Train from Cherry Bekaert presented for the year ended 12/31/2018. She disclosed there were no material weaknesses identified, no significant deficiencies reported, and no reportable noncompliance. Ms. Train indicated that “Note 3 – Deposits and investments” of the audit report described the risks of the plan’s investments. Ms. Train noted that there were no uncorrected adjustments and only immaterial accruals for investment and administrator fees. Ms. Train also noted that there were no disagreements with management.

Ms. Train noted that one difference between the current year and the prior year is that cash and cash equivalents have been moved to money market accounts. Ms. Train also noted that investments went down because the market overall went down.

Ms. Train noted that contributions were consistent with the prior year while participant benefits went up. Actuarial services, administrative services, investment management fees, and custodial fees went up. The Net Pension Liability indicates adequate funded status.
It was noted that a signed management representation letter was needed.

Dwight Mattingly inquired about whether the administrative expenses were inordinately high. Ms. Train explained that they were likely just high this year due to the administrator transition and would otherwise be in line with other plans.

Sean Smith made a motion to sign and send the management representation letter, seconded by Lisa Pontius, and approved by the Trustees 3-0.

Sean Smith made a motion to adopt and approve the audit report and draft financials as of 12/31/2018, seconded by Lisa Pontius, and approved by the Trustees 3-0.

**CUSTODIAN REPORT: KAREN RUSSO (SALEM TRUST COMPANY)**

Ms. Russo discussed the change in ownership of Salem Trust Company (STC), the money market sweep account, and the quarterly Service Report Summary.

On April 1, 2019, TMI Trust Company (TMI) acquired STC. TMI was a Texas chartered trust but has become a Florida chartered trust headquartered in Tampa. TMI is an expert in corporate trusts. There have been no changes in employees or management and no changes to systems. In time systems will change and the wiring bank may change.

Ken Harrison had previously inquired about whether a change in the bank would require updates to the contract and STC’s attorneys had responded saying that no changes to the contract were needed.

Dwight Mattingly asked if a change in the wiring bank would result in changes to fees. Ms. Russo did not believe there would be any changes in fees.

Ms. Russo noted that the Deerfield Beach office was relocated to a remote office in Hollywood and that she usually works remotely and attends meetings. She is backed up by trust associates in the Tampa office. Processes have not changed. The trust associates process requests but Ms. Russo still reviews them.

Ms. Russo stated that every money market account is set up with a money market sweep vehicle so that cash does not sit uninvested. There are three funds to choose from but all of the plan’s accounts are using the Goldman Sachs treasury fund.

Ken Harrison suggested to seek counsel from the Investment Consultant Frank Wan. Mr. Wan stated that a few years ago there were no differences between the three options because the rates were so low but now it could mean a $3,000 per year gain which makes the risk of getting only $0.95 on the dollar in a recession worthwhile. Mr. Wan stated that Burgess Chambers & Associates (BCA) recommends switching to a prime account. Ms. Russo will confirm if that would change the plan’s eligibility for the institutional share class. Ms. Russo will send the form required for switching from the treasury account to the prime account to Strategic Benefits Advisors (SBA). SBA will then need to include a letter giving BCA the authority to direct changes to the sweep account.

Lisa Pontius made a motion to move from Goldman Sachs treasury sweep account using institutional shares to Goldman Sachs prime fund using institutional shares and authorized the Investment
Consultant to monitor performance and direct sweep account movement without prior ratification by the Board, seconded by Sean Smith, and approved by the Trustees 3-0.

Ms. Russo presented the quarterly Service Summary Report and noted that STC will discount fees if service is sub-par.

**INVESTMENT MANAGER REPORT: MATT STUART (SCOUT INVESTMENTS)**

Mr. Stuart is with Carillon Towers Advisers and overseas three equity strategies. He is the Senior Vice President, Client Portfolio Manager for the Scout Mid Cap Equity portfolio which operates autonomously under Carillon Tower Advisers which was acquired by Raymond James in November 2017. Raymond James and Carillon handle customer service, marketing, and operations, which allows Scout Investments to focus on portfolio management.

Ken Harrison asked Mr. Stuart if Scout is still executing independently and not through Raymond James or Carillon Towers. Mr. Stuart confirmed that was correct.

Dwight Mattingly stated that he was not interested in a sales pitch. Mr. Stuart explained that he is embedded with portfolio management teams and not sales and is tasked with interfacing with clients so that the portfolio managers can focus on picking stocks and Mr. Stuart can focus on communicating the portfolio manager’s strategies to the client.

Mr. Stuart pointed out that there are currently $3.2 to $4.2 billion Assets Under Management and that Scout can manage up to $10 billion.

Mr. Stuart pointed out the disappointing performance in the first quarter due to the underperformance of Utilities, Industrials (United Rentals; airlines), and Consumer Discretionary (Burlington stores) holdings. The fund did well in technology (anything related to 5G and data centers). In the second quarter the fund sold equities with exposure to China.

Mr. Wan asked how Scout did in May but Mr. Stuart did not yet have the numbers. Mr. Stuart reported that Scout is lagging the Russell Midcap because Scout is purposely taking a defensive position right now. Dwight Mattingly pointed out that there are quite a few holdings in airlines and asked if there was a concern with that because of the problems with Boeing. Mr. Stuart said that that is not a concern with the current airline holdings. Mr. Wan pointed out that Mid Cap is the hardest space to manage because companies do not spend much time in that category and also that it is important to stay focused on long-term results because there will be a lot of “noise” in the market in the short-term.

Dwight Mattingly asked if Scout is moving to algorithms. Mr. Stuart said Scout is purely research driven and does not rely on algorithms. They do a lot of trimming and adding rather than large trades, so algorithms would not be wise here. Mr. Wan will send Mr. Stuart the NCPERS Code of Ethics to sign and acknowledge.

Sean Smith made a motion to accept the Scout investment report, seconded by Lisa Pontius, approved by the Trustees 3-0.
INVESTMENT CONSULTANT: FRANK WAN (BURGESS CHAMBERS & ASSOC.)

Mr. Wan pointed out that page 6 of the 1st quarter investment report had been updated to reflect the new 7.75% actuarial assumed rate of return.

Mr. Wan reported that there was market volatility in the 1st quarter due to the inversion of the U.S. treasury yield curve and accompanying fear of an economic downturn. Mr. Wan reported that inversion was due to an influx of foreign money, especially from Japan and Germany, and in and of itself is not enough to indicate an imminent recession. BCA is of the opinion that a recession is not imminent, as measured by corporate bonds and equity investor confidence. However, the inverted treasury yield curve does call attention to monitor risk, particularly in other parts of the world, considering the impact that would have on the U.S. economy.

Sean Smith left the meeting at 9:55 and returned at 9:57.

Mr. Wan pointed out that while the return on the total fund was +9.0% in the 1st quarter, there had been a 17% swing over the last 6 months (-8.0 for the prior quarter) so there is currently a lot of market fluctuation. BCA will continue to monitor and make small changes but the focus will still be on the long-term. The peer group rankings show that the fund is in line with its peers.

For the quarter, the Fund experienced a market-based gain of $9.0 million or +9.0% (+8.9% net), ahead of the 35/15/50 benchmark (+7.9%), trailing the strategic benchmark (+9.4%) and ranking in the top 32nd percentile. The best three performing assets were Westwood MLPs (+16.5%), Vulcan large cap equity (+15.7%) and Fidelity Mid Cap Index blend (+15.7%).

For the one-year period, the Fund was up $5.1 million, or +5.3% (+4.8% net), similar to the 35/15/50 benchmark (+5.0%) and behind the strategic benchmark (+6.6%). These results ranked in the top 19th percentile.

For the three-year period, the Fund earned $23.3 million or +8.6% (+8.1% net) per year, ahead of the 35/15/50 benchmark (+7.1%) and trailing the strategic benchmark (+8.9%).

For the five-year period, the Fund earned $26.0 million or +6.0% (+5.4% net) per year, similar to the 35/15/50 benchmark (+5.6%) and behind the strategic benchmark (+6.3%).

Mr. Wan recalled that in the last meeting there was a small policy change to increase cash holdings and that we should have signed a Vulcan addendum, so he brought it to this meeting.

Lisa Pontius made a motion to approve the guidelines as presented by the Investment Consultant, seconded by Sean Smith, approved by the Trustees 3-0.

Dwight Mattingly asked how the fund stacks up against peers in terms of fees. Mr. Wan said 2018 accrued fees were about $340k out of $108 million fund and this cost including BCA’s fees would be under 35 basis points. Mr. Harrison pointed out that the fund should always aim to be under 75 basis points. Mr. Wan indicated that the move to the Fidelity funds should lower investment fees to 30 basis points of fund level.

There was a break from 10:13 to 10:25.
ACTUARY REPORT: CHAD LITTLE (FREIMAN LITTLE ACTUARIES)

Mr. Little presented the draft Actuarial Valuation report as of January 1, 2019. He reported that employer contributions increased from $5.8 million to $6.3 million and that the Unfunded Accrued Liability (UAL) also increased from $18 million to $22.7 million (mostly due to the Assumed Rate of Investment Return being decreased from 8.0% to 7.75%). The state of Florida approved the change to 7.75%.

Mr. Mattingly asked why the auditor funded percentage is different than what is shown in the Actuarial Valuation report. Mr. Little responded that the auditor uses market value of assets instead of a smoothed value. GASB requires the use of market value basis. Mr. Harrison commented that Florida Section 112 requires to keep the plan actuarially sound and that is why the funding valuation is based on a smoothed value.

Mr. Little explained that the state of Florida requires that the payroll growth assumption not exceed the average payroll growth for the prior ten years, so while 2.3% was used in the amortization of the UAL in the prior actuarial valuation, the total payroll increase assumption has been revised to 2.0% as of January 1, 2019.

Page 3 of the report explains that while the return on the Market Value of Assets was (4.16)%, the return on the smoothed Actuarial Value of Assets was 4.38%. Since the return on the Actuarial Value of Assets was less than the 8.0% assumed net rate of return, an investment-related actuarial loss occurred.

Page 4 of the report shows the effect on Funded Status using rates of return 1% and 2% less and more than the Current Net Assumed Return. This information gives the Boards an idea of potential outcomes of funding percentages for the plan if returns are more than or less than 1% or 2% of the Assumed Return on Assets.

Page 5 shows the high rate of market volatility the plan is currently experiencing compared to what it was 20 years ago.

Page 6 shows the Ratio of Benefit Payments to Contributions, now 4 times the value of what it was 20 years ago (.23 to 1.03). Mr. Little pointed out that the plan has now crossed the threshold to where Benefit Payments are greater than Contributions and stated that that is where a plan wants to be (paying benefits partially out of interest and not contributions). Mr. Mattingly wants to know how the number of participants has changed over the same period—for contributions, the number of participants contributing, and for disbursements, the number of retirees—and what the investment return has been over the same period.

Page 23 shows that the Unfunded Accrued Liability is up $4.7 million from the prior valuation. This is mainly due to the revised rate of return (now 7.75% down from 8.0%). There was a demographic gain due to individual pay increases being less than expected.

Page 24 shows the Required Contributions for 2020 is $6.3 million.

Mr. Wan requested projection of outflows from Mr. Little for the next 100 years.
Lisa Pontius made a motion to adopt the draft Valuation Report, seconded by Sean Smith, approved by the Trustees 3-0.

Mr. Mattingly mentioned that the current Summary Plan Description does not make it clear that the 25-year cap on service only applies to Tier 1 (for Tiers 2,3,4 the benefit is limited to 62.5% of pay instead). SPD to be updated if necessary.

Mr. Mattingly requested the average number of years worked upon retirement

Mr. Little presented the impact statement for Amendment 4, which shows there is no impact anticipated. Amendment 4 along with the impact statement should be sent to the county and then once enacted sent to the state.

Mr. Little presented the engagement letter. Mr. Harrison stated that he brought the contract up to date along with the new fees. The fee schedule was approved at the last meeting so the engagement letter just needs to be signed.

ATTORNEY REPORT: BONNI JENSEN

Bonni Jensen brought the final version of Amendment 4 to be signed.

Ms. Jensen reminded the Trustees that they needed to complete Form 1 and could file by email.

Ms. Jensen presented the Cancer Presumption memo just as an FYI but it only applies to firefighters.

Ms. Jensen reported that there has been a legislative change that affects alimony payments. For divorces that finalized as of January 1, 2019, participants will be responsible for paying the taxes on alimony payments rather than the alternate payee being liable. Mr. Harrison believes this conflicts with IRS code and may get overturned; therefore, no changes to the SPD are recommended at this time.

ADMINISTRATOR REPORT: MARY SHAH AND STEPHANIE ATLI (STRATEGIC BENEFITS ADVISORS)

Stephanie Atli reported on research that has been done on the vested terminated population. There are about 119 vested terms (VTs) and research has been done on 63 so far. SBA has researched to locate 24 VTs. Nine have been resolved (1 is past Required Minimum Distribution date, 3 over age 65, and 4 have reached Normal Retirement Date or are unreduced retirement eligible). Eleven are still in progress. Four need Board input.

Two VTs (Phyllis Rasler-Lynes and James Bennett) are deceased and received refunds prior to death but would have an annuity due to a surviving spouse if they were married at death. While we do not have death certificates on file to determine marital status at death, online research seems to indicate neither was married at death. The Board agreed that efforts have been exhausted and deemed no further benefits due.

Two VTs (Charles Switzer and Joyce Wilk) are deceased but there is no record of their refunds ever being paid. Palm Tran HR located a beneficiary designation for Charles Switzer so the Board agreed
the refund is payable to that beneficiary. Palm Tran HR did not locate a beneficiary designation form for Joyce Wilk. The Board recommended sending certified mail and then considering efforts exhausted. It would then be up to the beneficiary/estate to contact the plan administrator for the refund.

SBA researched 21 VTs who have reached at least age 58. There were 17 that needed to be sent to the Actuary to confirm the unreduced eligibility date. SBA proposed sending certified letters to VTs 3-6 months prior to their unreduced eligibility date and the Board agreed and asked that a policy be drafted.

SBA has also requested 18 VT calcs from the Actuary for participants who have terminated and who have not had a vested termination calculation completed.

The remaining 56 VTs need their calculations located either digitally or in the paper files and digitized if need be. The unreduced eligibility date will need to be determined and added to SBA’s database.

Mr. Mattingly asked that SBA coordinate with Palm Tran HR to make sure that those who terminate vested are told to keep their address and contact information up to date with the plan administrator. Palm Tran HR should also provide to plan administrator beneficiary designation form on file for VTs and NVTs when they terminate. SBA should utilize Palm Tran HR and HR should utilize Payroll and other teams to help locate VTs that are nonresponsive.

Mr. Harrison suggested sending a mailing to VTs and retirees every two years to have them confirm their marital status and their beneficiary designation.

Mr. Mattingly requested that SBA work with Ms. Jensen to write up a policy for handling of VTs and NVTs.

Aside from the VT research, there are two boxes of paper files that contain refund documentation going back to the 1990s. These files need to be scanned, saved, and logged in a consolidated list of refunds paid.

SBA also followed up on a report from the previous meeting on about 40 Non-vested participants (NVTs) who terminated in 2017 and 2018 who had not taken a refund of contributions. SBA noted that the plan allows for a mandatory cashout when the benefit is under $1,000, and about 20 of the refunds to be paid are less than $1,000. SBA proposed mailing notices and giving participants 30 days to respond before making mandatory payments to those whose benefit amount is under $1,000. The Board agreed.

SBA is updating the refund and retirement applications with the assistance of Ms. Jensen and her team. The biggest change is that spousal consent will now be required for vested refunds and for non-spouse beneficiary designations.

SBA reported that Salem Trust provided a file of all future payment and stop dates and asked SBA to confirm the accuracy of the dates. SBA reviewed the file and agreed with all of the future changes to pension payments and start/stop dates for the medical supplement. There are 17 participants with
no end date on their tax exclusion amount. SBA proposed reviewing original payment setups to see if the end date is readily available from that paperwork.

SBA reported that the 2019 pension statements have been completed by the Actuary and will be mailed by the end of June.

Sean Smith made a motion to ratify the action of the administrator with regard to a disability retirement for Jacqueline Hriljac, seconded by Lisa Pontius, approved by the Trustees 3-0.

There was a break from 12:34 to 1:00.

SBA presented a recent report from Robins Gellar who monitors potential class action lawsuits for funds. Mr. Harrison explained that if there is an award then anyone who owned stock during the period of the class action will get an allocation of the award. This award is sent to the Custodian. This RGD report shows the potential aggregate awards for class action lawsuits.

Mr. Harrison will follow up with and request signature of Robbins Geller securities monitoring firm.

Mr. Harrison recommends hiring multiple securities monitoring firms since there is no charge for them to monitor and report relevant class actions and each firm specializes in different areas. He will contact Saxena White.

SBA to request report of class action settlements from Salem Trust.

**PLAN FINANCIALS**

Lisa Pontius made a motion to receive and file the Warrants and Interim Financials, Sean Smith seconded, approved by the Trustees 3-0.

Lisa Pontius made a motion to approve the refund of contributions and final retirement benefits, Sean Smith seconded the motion, approved by the Trustees 3-0.

**BOARD COMMENTS**

Mr. Mattingly requested that the agenda include the date of the next meeting.

**ADJOURNMENT**

There being no further business and the next Quarterly Meeting has been scheduled for Thursday, September 5th, Lisa Pontius made a motion to adjourn the Meeting at 1:20 PM, seconded by Sean Smith, and approved by the Trustees 3-0.