

**West Palm Beach Police Pension Fund
2100 North Florida Mango Road
West Palm Beach, Florida 33409**

Minutes

**August 11, 2017
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on August 11, 2017 at 8:35 AM, in the main conference room of the Ernest George Building of the Palm Beach County Police Benevolent Association.

Present at the meeting: Jonathan Frost, Board Chairman, Troy Marchese, Board Secretary Joseph Ahern, Board Trustee, Wilton White, Board Trustee and Craig Kahle, Board Trustee.

Also present: Lou Penque, Active Member; Ernest George, Retired Member (arrived at 9:28 AM), Brendon Vavrica & John McCann, AndCo Consulting; Gardiner Holland & James DiGiuseppe, Wellington Management; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

Mr. Frost reflected that he was confirmed by the city commission. The nomination committee also recommended Mr. Kahle to serve for another term as well. Formal confirmation by the Mayor is pending.

APPROVAL OF THE MINUTES

After making his recommendations that were duly noted, Mr. Frost asked if there were any additional changes required to the minutes of July 14, 2017. Mr. White made the motion to approve the minutes as cited, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

APPROVAL OF DISTRIBUTIONS

New Warrants were presented for review and execution. Warrants approved at the last meeting were presented to the Board in spreadsheet format by Mr. Williams. A formal administrative report was also provided for consideration. After Mr. Williams detailed the report and responded to inquiries, Mr. Ahern made the motion to approve, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

NEW HIRES: Mrs. Jensen advised that she was successful in her negotiations with Dr. Zahn. As such, Dr. Zahn agreed to be the Board's medical Director for pension physicals. A contract was presented for the Board to review and consider. Upon doing so, a motion was made by Mr. Marchese to retain the professional services of Dr. Zahn as prescribed in the contract and to direct the authorized signors to execute the contract on behalf of the Board. This motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

SPECIAL ACT: Mrs. Jensen provided brief update that the amendments/restatement of the special act and the required legislative steps are being followed.

SECURITY LITIGATION: Amtrust update was provided. Mrs. Jensen advised of other intuitional plans that were adjoined in the case.

STATE OF THE PENSION: Presentation will be made to the city commission on September 5, 2017 at 10:00 AM.

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ADMINISTRATOR'S REPORT

Mr. Williams reflected that retirement transitions are steadily moving along. He reinforced his commitment to ensure a seamless conversion for all personnel.

Mr. Williams advised the Board that the website was off line for approximately one-week due to a server issue with our service provider. The site was safe and was not compromised. Mr. Williams also reminded the Board that the on-line file is separate and apart from our internal system.

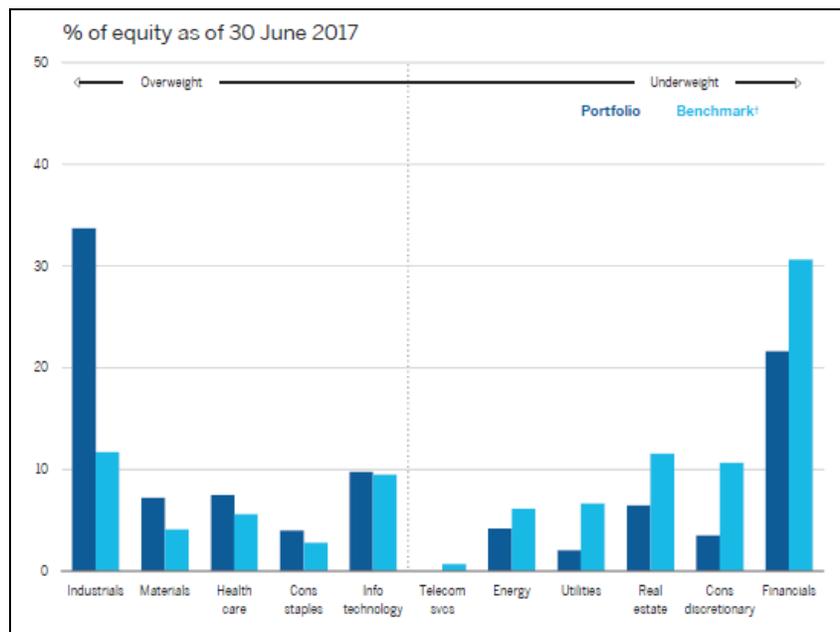
Mr. Williams reported that GRS Consulting no longer provides social security death check access. He expressed his displeasure in the lack of notification from GRS. He advised the Board that FTIS (our custodian) still does death checks on a quarterly basis. The Board by consensus was satisfied with that.

Mr. Williams stated that an application to elect earnings notice was sent out with the quarterly drop and share statements. While making this report Mr. Penque opined that the Board should consider e-statements in lieu of paper statements. The time and expense is no longer required due to on-line access. The Board was not opposed to the proposal and was open to giving the member the option. Mr. Williams advised that he would insert a notice in the next mailing which would require the member to opt in for a paper statement. The Board by consensus agreed and thanked Mr. Penque for this cost saving measure.

INVESTMENT PRESENTATION – Wellington Management

Mr. Gardiner Holland & James DiGiuseppe of Wellington Management appeared before the Board to provide a portfolio update. Although the tenure of Wellington Management was short-term (March 31, 2016), the Board was disappointed with the investment returns to date. According to the AndCo Consulting Report of June 30, 2017, Wellington has underperformed all time periods. While the absolute return was in the double digits, it underperformed compared to the benchmark. The Board made it extremely clear that improvement is the only option. The team reinforced their investment philosophy, objective and approach.

The sector weights were outlined which exhibit the difference between their investments and that of the benchmark.



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INVESTMENT PRESENTATION – AndCo Consulting

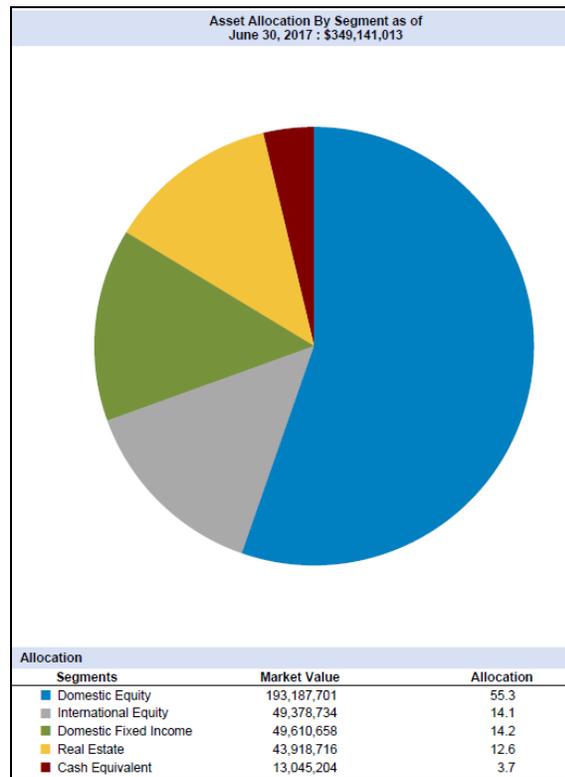
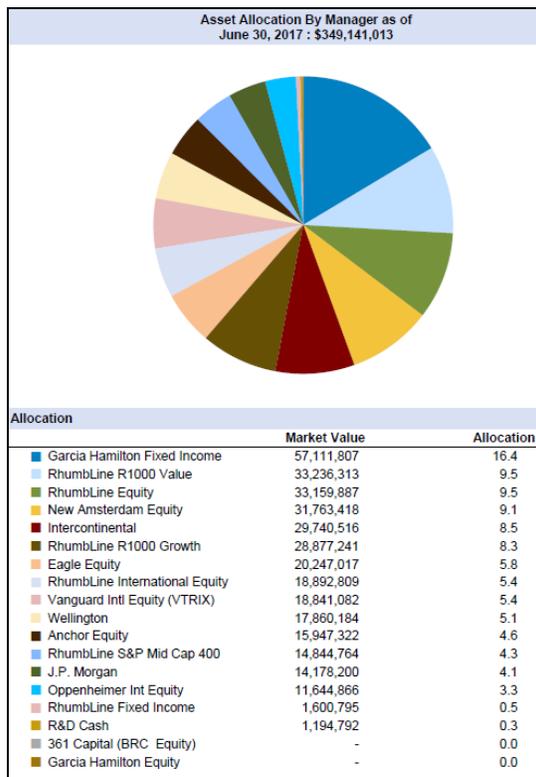
Mr. John McCann appeared before the Board and presented the June 30, 2017 investment report.

As of June 30, 2017, the total assets were valued at \$349,141,013. For the quarter, the total fund returned 2.64% vs. 2.72% compared to the target index.

On a fiscal year basis, the total fund returned a 9.88% vs. 8.90% compared to the target index. The median return for all public funds was reported to be 8.52%.

On a rolling year basis, the total fund returned a stellar 14.30% vs. 13.01% compared to the target index. The median return for all public funds was reported to be 12.14%, which our return exceeded by 216 basis points.

On a three and five-year basis, the Plan returned 5.76% & 9.37% respectively. The five-year return cited ranked our Fund in the TOP 32% of the investment universe and well exceeds our compliance standard of Top 40%.



Mr. McCann indicated that a review of the portfolio was undertaken and the incoming state funds should be deposited with Garcia Hamilton – Fixed Income Account due to their underweight. The Board by consensus agreed.

Mr. McCann closed by presenting a flash report of ten public plans. The report showed number of investment managers other plans had in comparison to our plan. The Board was comfortable with the findings.

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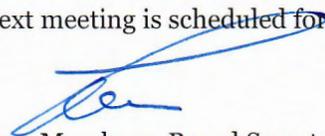
OPEN DISCUSSION

None

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:01 AM.

Next meeting is scheduled for September 8, 2017 at 8:30 AM.



Troy Marchese, Board Secretary