

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

Minutes

**November 09, 2018
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on November 9, 2018 at 8:34 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 Trustee, Dana Santino, Board Trustee, Craig Kahle, Board Trustee & Joseph Ahern Board Trustee (arrived 8:37 AM).

Also present: Louis Schwartz; Louis Penque; Matt DiNallo, Aberdeen Standard; Robert Cousin, JPMorgan; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

No Comments.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any additional changes required to the minutes of October 12, 2018. Ms. Santino made the motion to approve the minutes as noted, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0. (Mr. Ahern not present).

APPROVAL OF DISTRIBUTIONS

Mr. Williams distributed New Warrants 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 reports and responded to inquiries, Mr. Ahern made the motion to approve the report, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

INFORMAL HEARING – LOUIS SCHWARTZ

Mrs. Jensen outlined the claim before the Board and the legal requirements to meet the threshold of disability. The Board was provided the disability file to review in total prior to the meeting. Mr. Schwartz was notified of this meeting and was present today.

The October 19, 2018 independent medical evaluation report of Dr. Jeffrey Worth was detailed; wherein Dr. Worth opined that Mr. Schwartz suffered a duty related injury (August 4, 2016) and that as a result could no longer perform the duties as a police officer. Dr. Worth confirmed the injury was total and permanent. Mrs. Jensen also cited the June 14, 2018 report from Dr. Baynham. Although Mr. Schwartz was terminated by the City of West Palm Beach on August 1, 2018, Mrs. Jensen sent a letter asking if they had a position for Mr. Schwartz based on the foregoing. A negative response was received from the city.

Mr. Marchese raised the issue if the disability was granted how Mr. Schwartz's lump sum payments (for approximately 3.8 years) would be factored into his Average Final Compensation, as a result of a change in the special act in 2017.¹ Mrs. Jensen advised the matter would have to be researched and she would further consult with Mr. Amrose.

¹ Effective June 6, 2017 for purposes of determining final average salary, any lump sum payment made to a member for retroactive pay, such amounts shall not be considered as a lump sum but will be treated as if paid during the retroactive pay periods.

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Mr. Marchese made a motion to approve the disability as service connected and based on the following: The findings of Dr. Worth and Dr. Baynham, the fact that Mr. Schwartz could no longer perform the duties of a police officer; that the City of West Palm Beach did not have a position for him and that Mr. Schwartz could no longer provide useful and efficient service as a police officer; the effective date of disability his is the date of termination (August 1, 2018). Mr. Marchese concluded his motion citing that the lump sum should be applied as earned for purposes of determining the average final compensation (*crediting the lump sum payment to each corresponding payroll period for which payment was due*). The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

Mr. Williams indicated he would prepare an estimated benefit payment for Mr. Schwartz pending the formal review by Mr. Amrose and Mrs. Jensen. The findings would be brought back to the Board to make a final review and approval. The Board agreed by consensus.

ATTORNEY'S REPORT

- AmTrust Litigation: Brief update by Mrs. Jensen that this Plan was not named as lead plaintiff but would still be part of the litigation process. Matter being monitored, and further updates will follow as warranted.
- Special Tax Notice: Mrs. Jensen informed the Board that a revised special tax notice was prepared and presented to the plan administrator to use.
- Records Management Liaison Officer (RMLO): Mrs. Jensen advised that the State of Florida requires that each Agency name a RMLO. By resolution Mrs. Jensen advised that the plan administrator would be the appropriate party to name. Motion to adopt the resolution by Mr. Kahle, which the motion was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 5-0.

ADMINISTRATOR'S REPORT

- Fieldwork for the Audit currently underway. Mr. Williams suggested the Trustees meet with the Auditors while they are currently on-premise.
- DSL Installed – Project complete.
- 2018 SB534 required disclosure posted on-line at:
http://www.wpbppf.com/docs_state/sb534Investment/WPB%20SB%20534%20Disclosure%202018.pdf#zoom=100

INVESTMENT PRESENTATION – Aberdeen Standard – Private Equity

This was the first presentation related to the private equity portfolio being invested by Aberdeen Standard. Mr. Matt DiNallo appeared before the Board to provide a short-term update. Primary and co-investments to date were also highlighted.

INVESTMENT PRESENTATION – JPMorgan – Private Equity

This was also the first presentation related to the private equity portfolio being invested by JPMorgan. Mr. Robert Cousin appeared before the Board to provide a short-term update. Primary and co-investments to date were also highlighted.

INVESTMENT PRESENTATION – AndCo Consulting

Mr. John McCann appeared before the Board and presented the September 30, 2018 investment report.

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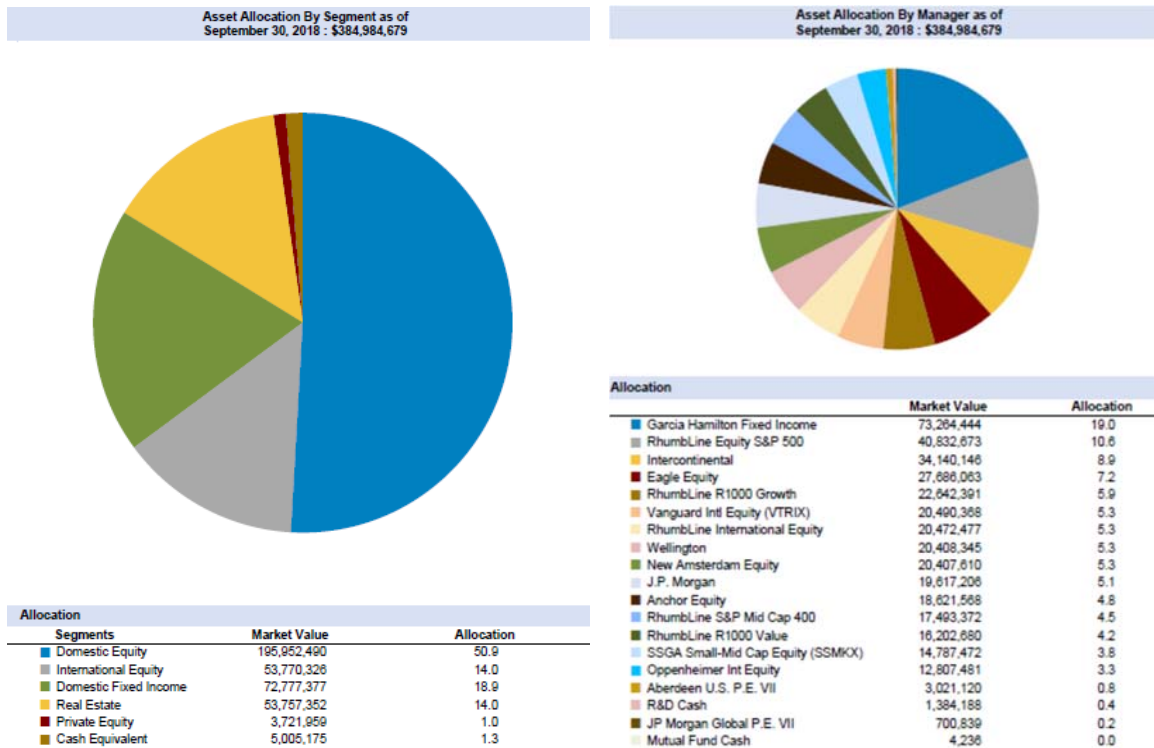
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As of September 30, 2018, the total assets were valued at \$384,984,679.00. For the quarter, the total fund returned 3.47%² vs. 3.49% compared to the target index. The public funds median return was valued at 3.13% for the quarter.

On a fiscal year basis, the total fund returned a stellar 10.19%³ vs. 9.50% compared to the target index. The median return for all public funds was reported to be 8.22%.

On a three and five-year basis, the Plan returned 10.97% & 8.55% respectively. The five-year return cited ranked our Fund in the TOP 24% of the investment universe and exceeded our compliance standard of Top 40%.



A detailed equity analysis was followed by Mr. McCann. This report is based on a snapshot of all the equity holdings as of September 30, 2018. The report confirms the equity portfolio is well diversified across all market caps and investment styles. A breakdown of each manager followed.

Mr. McCann also presented an updated investment policy for the Board to consider. After detailing the policy updates, Ms. Santino made a motion to accept, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

Mr. McCann also asked for direction on the POB quarterly report he prepares for the City of West Palm Beach. With the reallocation of assets over time, the POB is stale information. Mr. McCann discontinuing that report and having the city rely upon his regular quarterly investment report. The Trustees were not opposed to Mr. McCann’s position but asked Mr. Williams to contact Mr. Parks on the matter.

² Gross basis

³ Gross basis

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In a spirit of transparency, the Board of Trustees have posted the entire quarterly investment report on-line and it may be viewed at:

http://www.wpbppf.com/docs/investments/WPBPPF_Report_2018_Q3.pdf#zoom=100

OPEN DISCUSSION

An educational event round robin session ensued by the Trustees.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:49 AM.

Next meeting is scheduled for December 14, 2018 8:30 AM.

A handwritten signature in black ink, appearing to read 'Troy Marchese', is written over a light gray rectangular background.

Troy Marchese, Board Secretary