

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

Minutes

**August 12, 2016
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on August 12, 2016 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 and Craig Kahle, Board Trustee.

Also present: Mark Parks, City of West Palm Beach – Finance Director, John McCann & Brendon Vavrica, The Bogdahn Group; Nick Thompson, Ashley Hartman, Janus Capital; Jordan Loh, Clay Lindsey & Chris Sassouni, Eagle Asset; John Montgomery & Justin Moscardelli, Westfield Capital Management; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

No Comments.

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 8, 2016. Mr. Marchese made the motion to approve the minutes as cited, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

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 inquires, Mr. Marchese made the motion to approve, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Status Report – James Graham Matter: Before beginning the presentation, it was cited that Mr. Graham was informed of this meeting and this matter was on the agenda. Mrs. Jensen cited that it was her understanding that Mr. Graham entered into a worker's compensation settlement with the City of West Palm Beach. Mrs. Jensen outlined the independent medical examinations conducted by Dr. Worth and Dr. Harris. Mrs. Jensen cited that it would be valuable for Dr. Harris to see a recent MRI report and a function capacity examination (FCE). Mr. Kahle made a motion to approve the MRI examination, which was seconded by Mr. Marchese. FCE information will follow from Mrs. Jensen.

Member Review: Mrs. Jensen commented on Pleasant Beneficiary Matter. It was initially prepared by the Actuary and sent to her for legal review. The children are joint beneficiaries (50/50) to the share/drop accounts. A minor child is the beneficiary of the pension until age 18. A financial guardianship is reportedly being established. Mrs. Jensen is awaiting that information at this juncture.

Mrs. Jensen briefed the Board on the passing of Mr. Bennett. She also cited a change of a guardianship of Mr. Gorski.

ADMINISTRATOR'S REPORT

Nomination & Election: Mr. Williams noted the nomination process and re-election of Mr. Marchese to the Board of Trustees as he ran unopposed. Mr. Marchese's term now expires September 30, 2018. The representative from the City of West Palm Beach was duly notified.

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Application to Elect Earnings: Mr. Williams reported that he sent out the annual election forms to all active and retired personnel.

State Approval: Mr. Williams reported that the State of Florida – Division of Retirement formally approved the actuarial reports for FYE 2013, 2014 and 2015. Further the 2015 Annual Report was also approved. Mr. Frost offered his appreciation to the Administrator.

MID CAP GROWTH INTERVIEWS

Mr. Nick Thompson, Ms. Ashley Hartman, Janus Capital; Mr. Jordan Loh, Mr. Clay Lindsey & Mr. Chris Sassouni, Eagle Asset; Mr. John Montgomery & Mr. Justin Moscardelli, Westfield Capital Management were provided an opportunity to address the Board with regard to their firm's Mid Cap Growth Equity Strategy. The representatives provided details about their respective companies. The firm's investment team experience, philosophy, investment process and history were outlined in detail along with the fees. All candidates provided thought provoking presentations to the Board of Trustees. The Board discussed all aspects of each presentation and what would be the best complement to our Fund.

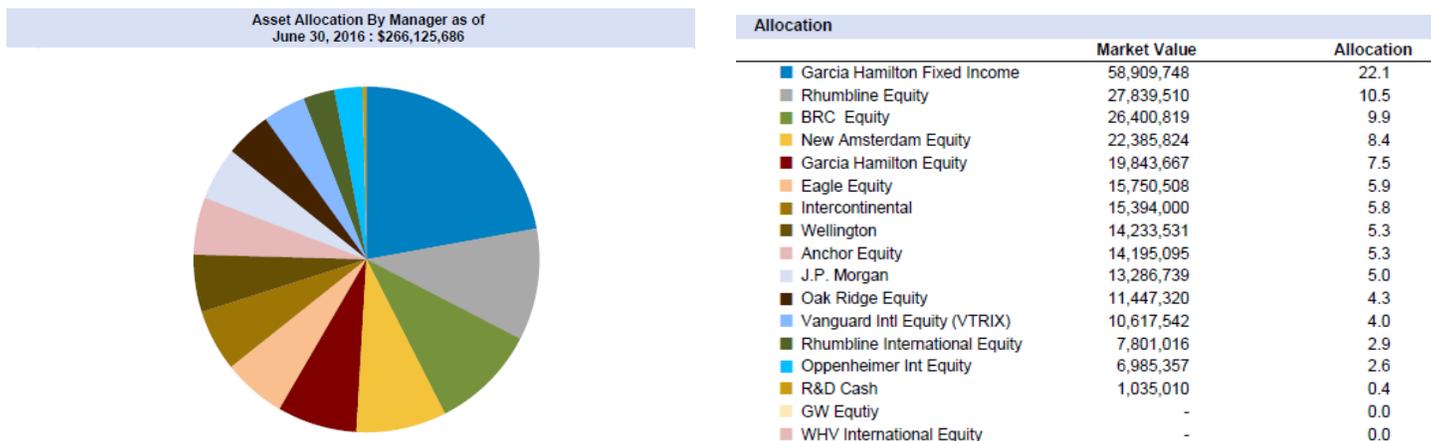
Discussion ensued relative to active and passive management. Input was sought from Mr. Parks on this topic, in which he supports indexing. The Board recognized the targeted funds were currently invested and managed, so there was no urgency to their decision. Mr. Frost felt Mr. White should also have an opportunity to review the material and provide his input, which was echoed by the other Trustees. As such the matter was tabled.

INVESTMENT PRESENTATION - The Bogdahn Group

Mr. John McCann & Brendon Vavrica appeared before the Board and presented the June 30, 2016 investment report.

As of June 30, 2016, the total assets were valued at \$266,125,686. For the quarter, the total fund returned 1.31% vs. 1.98% compared to the target index. For the fiscal year the return was valued at 4.56% vs. 6.72% for the same benchmark.

Mr. John McCann reported the Asset Allocation as follows:



The domestic equity portfolio was valued at \$133,262,354 as of June 30, 2016. The international equity portfolio was valued at \$25,434,243 for the same time period. Fixed income and real estate were valued at \$60,808,342 and \$28,327,489 respectively.

For the quarter, the equity portfolio returned 1.16% vs. 2.27% for the target index. On a rolling year basis, the equity portfolio return was -4.57% vs. -1.90% compared to the target index.

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For the quarter, the fixed income portion of the portfolio returned 1.28% vs. 1.44% compared to the target index. On a rolling year basis, the fixed income portfolio return was 5.40% vs. 4.36% compared to the target index, ranking in the TOP 7 percentile.

For the quarter, the Intercontinental Real Estate portfolio returned 1.85% vs. 2.03% compared to the target index (NCREIF). On a rolling year basis, the Intercontinental portfolio return was 13.49% vs. 10.64% compared to the target index. For the quarter, the JP Morgan Real Estate portfolio returned 3.11% vs. 2.03% compared to the target index (NCREIF). On a rolling year basis, the JP Morgan (Special Situation) portfolio return was 15.91% vs. 10.64% compared to the target index.

OPEN DISCUSSION

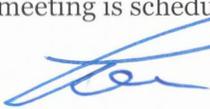
Mr. Frost provided information from a recent educational forum he spoke at for informational purposes. Mr. Frost also provided CBOE information to Mr. McCann & Mr. Vavrica to research and consider.

Mr. Frost indicated he had a conflict on September 9, 2016 and asked that the next meeting be moved to September 2, 2016. All the Trustees agreed by consensus. Mr. Williams will update the website notice of meetings and informed Mr. White and other interested parties.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 11:36 AM.

Next meeting is scheduled for September 2, 2016 at 8:30 AM.



Troy Marchese, Board Secretary