

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

Minutes

June 9, 2017
8:30 AM

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on June 9, 2017 at 8:33 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, Joseph Ahern, Board Trustee, Craig Kahle, Board Trustee and Wilton White (arrived 8:36 AM).

Also present: Edward Thomas, Clay Lindsey, Eagle Asset; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

No comments provided

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 May 12, 2017 & May 26, 2017. Mr. Ahern made the motion to approve the minutes as cited, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 3-0. (Mr. White off the dais).

INFORMAL DISABILITY HEARING – EDWARD THOMAS

After Mrs. Jensen outlined the matter relating to this claim, the Board considered the request of Mr. Edward Thomas, for a duty disability pension.

Furthermore, after reviewing the records, medical and otherwise, including the independent medical examination of Dr. Jeffrey Worth, the Board of Trustees arrived by consensus to the following: Mr. Thomas is prevented from performing the duties of a police officer to which he was assigned and is likely to remain so. Given Mr. Thomas' medical condition, the City of West Palm Beach does not have a position for him as a certified police officer; therefore, he is unable to render useful and efficient service as a police officer to the City. The physical injuries are due in part to an on duty motor vehicle accident he was involved in on March 25, 2015. Additionally, Mr. Thomas experienced poor results from lumbar spine surgery which was a direct result of treatment for the work-related injury. The Board concludes therefore, his injury occurred in-the-line-of-duty. The effective date was determined to be March 31, 2017, which was his last day on payroll.

The foregoing was placed in the form of a motion by Mr. Ahern, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

Mrs. Jensen cited that in the event Mr. Thomas becomes entitled to benefits payable as a result of injury caused by the acts of a third party, the City has a right of subrogation. Additionally, the pension is subject to offset for workers' compensation payments to the extent that the total of the pension and the workers' compensation benefits exceed the member's average monthly wage. Finally, upon Mr. Thomas reaching age 55 and if he is still receiving a disability benefit, the pension may be converted to a normal retirement pension at the option of Mr. Thomas.

Mr. Williams will prepare the required documents to finalize this matter. A formal order will be following from Mrs. Jensen for execution.

West Palm Beach Police Pension Fund – Minutes

June 9, 2017

Page 2 of 3

Mr. Frost thanked Mr. Thomas for his service to residents of the city. Mr. Thomas reflected in a somber tone how difficult it is to leave a career he loved, but has no other choice. He thanked the Board for the manner this claim was handled.

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

ATTORNEY'S REPORT

Mrs. Jensen reported that the special act was signed into law by the Governor. Mrs. Jensen outlined a proposed pre-employment physical process. The method outlined was similar to what the fire pension board has enacted. The city will make the physical a part of their pre-employment hiring process and the records will be reviewed by a qualified medical professional. Mrs. Jensen indicated that the fire board has engaged a physician and the results (review and turn-around time) have been excellent. The findings will ultimately be retained by the Board and reviewed only if a disability claim arises in the future. Mr. White made the motion to adopt the procedure(s) set forth by Mrs. Jensen, further to authorize Mrs. Jensen to engage a medical director and communicate with all required city representatives to proceed as soon as administratively practical. The foregoing motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

ADMINISTRATOR'S REPORT

Mr. Williams reported that he is meeting with all the members who entered the DROP in 2012 and will all be exiting by September 30, 2017. He expects a seamless transition for these members.

INVESTMENT PRESENTATION Eagle Asset – Quarterly Review

Mr. Clay Lindsey presented at the meeting to review the first quarter 2017 investment report to the Trustees.

Mr. Lindsey cited that for the quarter ending March 31, 2017, the account was valued at \$19,450,252. The initial contributions were valued at \$11,578,871.00. Net withdraws were valued at \$1,352,789. For the quarter, the account net return was 8.70%, in comparison to the 5.35% return for the Russell 2000 Growth Index. On the fiscal year basis, the account net return was reported at 12.04% vs. 5.35% for the same benchmark cited. On a longer-term basis, the portfolio return was 8.01% for the last three years, and since inception (May 24, 2011) the return was valued at 6.72%.

The following quarterly market overview was provided to the Trustees: The Russell 2000 Growth Index (up 5.4 percent) posted solid gains, substantially outperforming the Russell 2000 Value Index (down 0.1 percent). Sector returns within the Russell 2000 Growth were primarily positive, led by strong results within healthcare (up 13.2 percent), materials (up 9.6 percent) and information technology (up 5.7 percent). Energy (down 14.5 percent) was the most notably declining sector, giving back some ground after posting very strong returns in 2016.

INVESTMENT MONITORING REPORT

Mr. McCann presented a flash report for the fiscal year to date, the Plan has exceeded the assumed rate of return.

Mr. McCann and Mr. Frost spoke about master limited partnerships and felt it would not be warranted for our Plan at this juncture.

West Palm Beach Police Pension Fund – Minutes

June 9, 2017

Page 3 of 3

FINANCIAL STATEMENTS OF MARCH 31, 2017

Matter Tabled

ACTUARIAL VALUATION PRESENTATION of September 30, 2016 - GRS

(Continued from March 10, 2017 & May 26, 2017)

Mr. Williams indicated the action taken at the May 26, 2017 meeting was adopted in the final report being presented for review and approval this date. The action of May 26 was a reduction in the assumed rate of return as follows:

2017/2018	2018/19	2019/20	2020/2021
7.875%	7.75%	7.625%	7.5%

The annual contribution was now valued at \$3,131,968 for October 1, 2017, which is below the prior fiscal year contribution of \$3,285,065.

The entire report may be viewed at the following link:

http://www.wpbppf.com/docs_state/ActuarialValuation/West%20Palm%20Beach%20Police%20-209-30-16%20Valuation%20Report%20Final%20approved%206-9-2017.pdf#zoom=100

OPEN DISCUSSION

Mr. Frost indicated that he felt it would be prudent to provide a "State of the Pension" report to the city commission at a workshop meeting. By consensus all agreed. He and Mrs. Jensen would coordinate with Mr. Amrose, Board Actuary.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:48 AM.

Next meeting is scheduled for July 14, 2017 at 8:30 AM.



Troy Marchese, Board Secretary