

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

Minutes

**July 14, 2017
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on July 14, 2017 at 8:38 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 and Craig Kahle, Board Trustee.

Also present: Mark Parks, City of West Palm Beach, Finance Director; Alyse Vishnick, OFI Global; 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 Jun 9, 2017. 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 3-0.

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. Marchese made the motion to approve, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 3-0.

ATTORNEY'S REPORT

MADOFF: Mrs. Jensen provided a Madoff Victim Fund update; approximately \$159,000 has been recovered to date with an additional \$509,003.23 pending recovery/receipt.

FINAL ORDER: Mrs. Jensen presented the Final Order in the Thomas Matter. The document was executed accordingly.

NEW HIRES: New Hire process was moving forward as approved at the June 9, 2017 meeting. Mrs. Jensen reported that the city would prefer if we engaged an external party for the medical reviews. Mrs. Jensen formally offered Dr. Zahn as the medical director for the Board to consider as she currently handles the FD Plan quite well. The Board agreed and asked Mrs. Jensen to negotiate the monthly fee not to exceed \$500.00 per month and \$200.00 per medical review. The foregoing was placed in the form of a motion by Mr. Marchese and seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 3-0.

SPECIAL ACT: Mrs. Jensen highlighted a proposed change in the special act due to negotiations between the city and the PBA. The change was limited to restoring the 3% multiplier (effective October 1, 2017) prospectively from 2.68% and placing a minimum multiplier in place to conform with state law. A restatement may also be in order for housekeeping measures. Impact statement completed by the actuary on June 22, 2017.

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Mr. Kahle made a motion to proceed with the foregoing which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 3-0. Mrs. Jensen will also work with the representatives of the city to update Municode accordingly. Due to an early legislative session on 2018, this matter will be fast tracked.

LEGISLATIVE: Mrs. Jensen issued a memorandum that outlined the following information.

Public records pre-suit written notice – SB 80 (Chapter No. 2017-21)

http://laws.flrules.org/files/Ch_2017-021.pdf

Public records exemption for retired firefighters – SB 1108 (Chapter No. 2017-96)

<http://laws.flrules.org/2017/96>

Disabled public safety property tax exemption – HB 455 (Chapter 2017-105)

<http://laws.flrules.org/2017/105>

Proposed additional \$25,000 homestead exemption – HB 7107 (Chapter No. 2017-35)

http://laws.flrules.org/files/Ch_2017-035.pdf

Mr. Lou Penque was also recognized for his efforts in the body cam legislation. Mr. Frost commended Mr. Penque for his great work.

Mrs. Jensen will provide a notice related to public records to post in the Office of Retirement.

ADMINISTRATOR'S REPORT

Mr. Williams reported that Mr. Amrose reviewed the account and determined the share and drop account expenses would be 0.11% effective October 1, 2017, compared to the current 0.14% fee. This was welcomed news and reinforced the efforts being undertaken by the Board of Trustees to keep fees at a minimum. Notices will be provided to the membership with the next drop and share distribution. Mr. Williams will also post to the web at: <http://www.wpbppf.com/docs/announcements/West%20Palm%20Beach%20Police%20-%20DROP%20Share%20Plan%20Fee%20Ltr%20FY%2009-30-16.pdf#zoom=100>

Mr. Williams reported a capital call from Intercontinental Real Estate in the amount of \$165,636.37. The funds were transferred from the Rhumblin Core Bond Index Account as authorized by the Board of Trustees. The transfer was seamless and Mr. Williams thanked all parties for working together in the best interest of the Plan and its members.

INVESTMENT PRESENTATION OFI Global – Quarterly Review

Ms. Alyse Vishnick of OFI Global presented at the meeting to review the emerging market investment portfolio to the Trustees.

Ms. Vishnick spoke of the investment philosophy and goals of OFI being: Structural growth themes can drive long-term outperformance. Investing in companies, not countries or sectors. Investing only in exceptional companies, which we believe are scarce. Exceptional companies are characterized by durable and above average earnings growth, unique and defendable competitive advantages. Entry price is the key component of future returns.

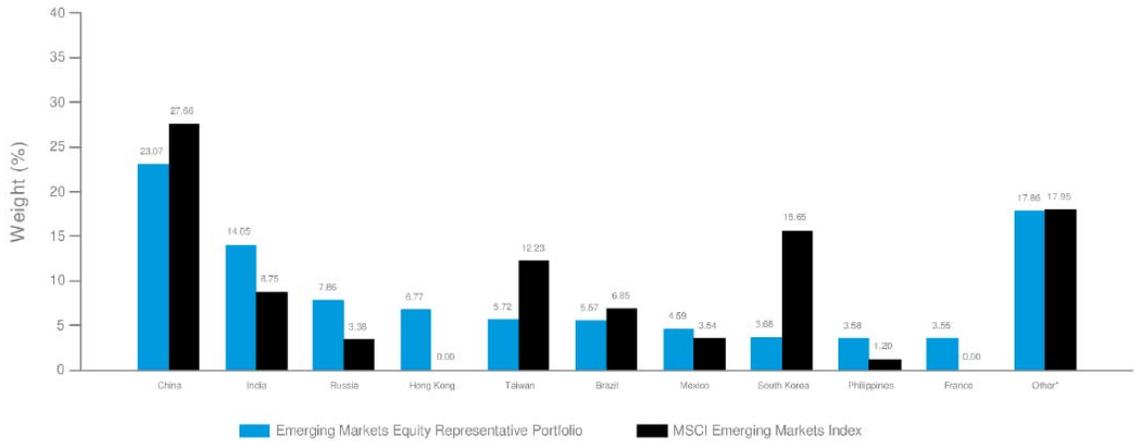
Ms. Vishnick cited that for the quarter ending May 31, 2017, the account gross return was valued at 5.87%, in comparison to 5.21% return for the MSCI Emerging Markets Index. On the year to date basis, the account return was 17.89%, which exceeds the benchmark cited.

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Country weights relative to the index was detailed as follows:



FINANCIAL STATEMENTS OF MARCH 31, 2017

The cited report prepared by Davidson, Jamieson & Cristini was provided to all parties to review.

OPEN DISCUSSION

Mr. Frost commented on the pension workshop meeting with the city commission on September 5th, 2017.

Mr. Frost also noted his moderation of a pension panel at an upcoming education event.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:07 AM.

Next meeting is scheduled for August 11, 2017 at 8:30 AM.

Troy Marchese, Board Secretary