

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

**Minutes**

**October 13, 2017  
8:30 AM**

**CALL THE MEETING TO ORDER**

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on October 13, 2017 at 8:32 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, Craig Kahle, Board Trustee & Wilton White, Board Trustee (arrived at 8:42 AM).

Also present: Mark Parks, City of West Palm Beach; Jeff Kusmierz, Rhumblin Advisors (via conference call); John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

**PUBLIC COMMENT**

Craig U. Kahle was congratulated for his re-appointment - Term Expires: October 17, 2021.

<http://www.wpbppf.com/modules/trustees/index.asp>

Special Act Update - Public Hearing before the Palm Beach County Legislative Delegation was noted October 17, 2017 – 9:00 AM. Notice will be posted on-line as follows:

<http://www.wpbppf.com/docs/announcements/Public%20Hearing%20Packet%2010-17-2017.pdf#zoom=100>

**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 August 11, 2017. Mr. Marchese made the motion to approve the minutes as cited, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0. Mr. White off dais.

It was noted that the September 8, 2017 meeting was cancelled due to Hurricane Irma.

<http://www.wpbppf.com/docs/minutes/WPB%20Notice%2009-08-2017%20CANCELLED.pdf#zoom=100>

**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. Mr. White off dais.

**ATTORNEY'S REPORT**

Mrs. Jensen advised that Mr. Mark Vertefeuille is currently in the process of buying back prior service credit. The multiplier at the time his contract for buy back was executed was 2.68%. As the multiplier is being changed to 3.0%<sup>1</sup>, Mr. Vertefeuille requested to be permitted to increase his buy back to the new multiplier. Mrs. Jensen reviewed the special act, the policy and the contract. As a result, Mrs. Jensen advised that Mr. Vertefeuille would be prohibited for the increase. Absent of Mr. Vertefeuille challenging the Board's decision, Mr. Marchese made the motion to deny the request based on Mrs. Jensen's position. The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0. Mr. White off dais.

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<sup>1</sup> Effective October 1, 2017 - Pending State Legislative Approval

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Mrs. Jensen updated the Board that the Municode was being updated with the assistance of the city.

[https://library.municode.com/fl/west\\_palm\\_beach/codes/code\\_of\\_ordinances?nodeId=PTICHRELA\\_SPBRELA\\_ARTIPEREFU](https://library.municode.com/fl/west_palm_beach/codes/code_of_ordinances?nodeId=PTICHRELA_SPBRELA_ARTIPEREFU)

Mrs. Jensen cited that the required Emergent Biosolutions documents were executed and transmitted to Saxena White.

Mrs. Jensen reported that the state of the pension report to the city commission was well received. Special thanks to Mr. Jeff Amrose – Board Actuary who also provided a clear and concise presentation.

### ADMINISTRATOR'S REPORT

**Disability Conversion:** Mr. Larry Castelli contacted Mr. Williams and requested to remain on disability status as he did not wish to convert to normal retirement. Mrs. Jensen opined that the decision to convert is the option of the member. A certification was executed by Mr. Castelli and presented to the Board of Trustees attesting to the foregoing. After reviewing the certification, Mr. Marchese made the motion to approve Mr. Castelli's request, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

**2018 Meeting Dates:** Mr. Williams provided the schedule for 2018. He asked the Trustees to review to ensure no conflicts exists. The schedule will be provided on-line and with the managers accordingly.

**Share Allocation:** Mr. Williams presented the share allocation report for formal consideration. The Fund received \$1,333,046.34 from the State of Florida. A full share equated to \$4,786.20 per member. A forfeiture of \$7,610.24 was reallocated. A full share equated to \$27.32 per member. After further review and discussion Mr. Marchese made a motion to accept and approve the allocation reports. The motion was seconded by Mr. White. All Trustees voted yes, and the motion was passed 5-0.

**Annual Confirmation of Benefits for 2017** was mailed out. Mr. Williams thanked Mrs. Jensen for her assistance in updating the form this year.

**Security Litigation Filing:** Mr. Williams provided a report of the security filings completed by our custodian – Fiduciary Trust (FTIS). Mr. Frost was very pleased with the activity and the due diligence of FTIS.

GASB 68 report from GRS dated September 29, 2017 was provided to the Trustees for informational purposes.

### INVESTMENT PRESENTATIONS

#### Rhumblin Advisors:

Mr. Jeff Kusmierz of Rhumblin Advisors joined the meeting via conference call. Mr. Kusmierz provided an investment update of the following accounts:

#### S&P 500 Pooled Index Fund – Inception Date: May 31, 2015

PERFORMANCE (Gross of Management Fees thru 9/30/2017)			MARKET VALUE SUMMARY	
	PORTFOLIO	S&P 500 INDEX		
2017 - YTD thru September	14.20%	14.24%	Initial Contribution (5/31/15):	\$27,294,564.25
Trailing 1 Year	18.55%	18.61%	Additional Contributions (1):	\$310,252.68
Since Inception (Annualized)	10.23%	10.26%	Net Investment:	\$27,604,816.93
			Market Value (as of September 30, 2017):	<u>\$34,643,547.40</u>

**MSCI EAFE Pooled Index Fund – Inception Date: January 31, 2016**

PERFORMANCE (Gross of Management Fees thru 9/30/2017)			MARKET VALUE SUMMARY	
	PORTFOLIO	BENCHMARK		
2017 – YTD thru September	20.15%	19.96%	Initial Contribution (1/31/2016):	\$7,495,612.97
Trailing 1 Year	19.24%	19.10%	Additional Contributions (1):	\$7,800,000.00
SINCE INCEPTION (Annualized)	17.77%	17.42%	Net Investment:	\$15,295,612.97
			Market Value (as of September 30, 2017):	<u>\$19,927,200.00</u>

**S&P 400 Pooled Index Fund – Inception Date: July 1, 2016**

PERFORMANCE (Gross of Management Fees thru 9/30/2017)			MARKET VALUE SUMMARY	
	PORTFOLIO	S&P 400 INDEX		
2017 - YTD thru September	9.39%	9.40%	Initial Contribution (7/31/2016):	\$12,450,446.17
Trailing 1 Year	17.49%	17.52%		
Since Inception (Annualized)	14.66%	14.69%	Market Value (as of September 30, 2017):	<u>\$15,323,837.64</u>

**Core Bond Pooled Index Fund - Inception Date: July 6, 2016**

PERFORMANCE (Gross of Management Fees thru 9/30/2017)			MARKET VALUE SUMMARY	
	PORTFOLIO	BLOOMBERG BARCLAYS US AGG		
2017 - YTD thru September	3.07%	3.14%	Initial Contribution (7/6/2016):	\$12,450,446.17
Trailing 1 Year	-0.07%	0.07%	Additional Contributions (1):	\$1,269,905.97
Since Inception (Annualized)	-0.26%	-0.09%	Withdrawals (3):	<u>\$12,522,550.40</u>
			Net Investment:	\$1,197,801.74
			Market Value (as of September 30, 2017):	<u>\$1,111,580.46</u>

**Russell 1000 Value Pooled Index Fund - Inception Date: March 31, 2017**

PERFORMANCE (Gross of Management Fees thru 9/30/2017)			MARKET VALUE SUMMARY	
	PORTFOLIO	RUSSELL 1000 VALUE INDEX		
QTR 3 2017	3.11%	3.11%	Initial Contribution (5/26/2017):	\$32,828,577.01
June 2017	1.64%	1.63%		
Since Inception	4.80%	4.80%	Market Value (as of September 30, 2017):	<u>\$34,269,986.72</u>

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A Rhumblin firm update was provided as well: Assets under management: \$48.2 Billion. Diversified client base that includes 88 Public Funds: 200 Accounts/\$30.5 Billion.

**AndCo Consulting:**

Mr. McCann reviewed the allocations of the portfolio with the Board. Upon doing so, it was determined that JP Morgan Real Estate was underweight. Motion by Mr. Marchese to enter the queue for 3.5 million dollars. This motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0. Mr. McCann will contact the manager accordingly and work with Mrs. Jensen and Mr. Williams in completing this direction.

**OPEN DISCUSSION**

Mr. Frost provided Mr. McCann with an educational presentation he received at a recent investment conference. Mr. Frost asked Mr. McCann to review *private equity* with his research team and report back in its viability.

An educational roundtable ensued.

**ADJOURNMENT**

Being there was no other business; the meeting was adjourned at 9:57 AM.

Next meeting is scheduled for November 3, 2017 at 8:30 AM.

A handwritten signature in blue ink that reads "T. Marchese, Chair". The signature is written in a cursive style.

Troy Marchese, Board Secretary