

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

Minutes

**November 3, 2017
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on November 3, 2017 at 8:31 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, Wilton White, Board Trustee and Craig Kahle, Board Trustee.

Also present: Mark Parks, City of West Palm Beach (departed 9:47 AM); Janna Hamilton & Gilbert Garcia, Garcia Hamilton Associates; Jaclyn Weinman, JP Morgan; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

Well wishes were presented to the representatives from Garcia Hamilton Associates (headquartered in Houston) for the World Series victory. It was also noted the City of West Palm Beach was the spring training home of the Houston Astros.

Ms. Jaclyn Weinman of JP Morgan acknowledged the 3.5-million-dollar commitment that is in queue for the real estate fund. She thanked the Board for their continued confidence.

APPROVAL OF THE MINUTES

Minutes of October 13, 2017 – Tabled.

APPROVAL OF DISTRIBUTIONS

Mr. Williams was pleased to report, that a year over year look back revealed expenses were decreased by \$236,600.87 for the fiscal year ending September 30,2017, compared to the fiscal year ending September 30, 2016.

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. Ahern. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

DEATH BENEFITS: Mrs. Jensen distributed her summary of Federal, State and local death benefits for informational purposes only.

NEW HIRES: Mrs. Jensen advised medical reviews underway. Some reporting issues being resolved.

DISABILITY: Mrs. Jensen is processing a non-duty disability claim from Officer Bryan Williams. She asked the Board to proxy the selection of the IME to her. Motion by Mr. Marchese to permit Mrs. Jensen the ability to select the IME for this matter. Motion seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

SPECIAL ACT: Mrs. Jensen provided brief update that the amendment. Matter was approved by the local delegation.

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ADMINISTRATOR'S REPORT

Meeting Dates: 2018 meeting schedule was reviewed, and the February meeting date was changed by consensus to February 2, 2018.

PPCC Award: Mr. Williams congratulated the Board of Trustees and the City of West Palm Beach for being recipients of the Public Pension Coordinating Council (PPCC) Award. PPCC is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States serving most of the nation's 16 million employees of state and local government.

The PPCC established the Public Pension Standards to reflect required expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark by which to measure public defined benefit plans. All public retirement systems and the state and local governments that sponsor them are encouraged to meet the standards. Recognition Award for Funding & Recognition Award for Administration was received.

Satisfaction Survey: Mr. Williams presented the results of the member satisfaction survey. It was presented to keep the Board apprised of what the members feel about the professional pension administration services they are receiving. The Board was extremely pleased with the results.

COLA: Mr. Williams advised it has been two years since a he sought a cost of living increase. Per GRS the cost of living has increased 4% since that time and Mr. Williams asked the Board to consider an adjustment to keep up with that benchmark. Mr. Frost proposed an increase of \$317.82 per month, which was essentially the cola being sought. Mr. Marchese made the motion to approve a rate increase as of October 1, 2017 as cited above. Motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

INVESTMENT PRESENTATION – Garcia Hamilton Associates

Janna Hamilton & Gilbert Garcia of Garcia Hamilton Associates came before the Board to review and discuss the fixed income portfolio. Before doing so, the firm's investment goals were reviewed. The goal is to outperform the benchmark, net of fees, over a full market cycle using a high-quality strategy with less risk, lower volatility and low turnover. By setting realistic expectations, GHA reportedly avoids taking unnecessary risks.

Achieving the goal is centered around several core principles:

- Preserve Principal
- Maintain Liquidity
- Provide High Current Income

The portfolio was reported to be valued at \$53,888,845.05 as of September 30, 2017. It was noted as exhibited in the chart below, that GHA outperformed the benchmark at all meaningful time periods, to include since inception of 2004.

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	Quarter	Year To Date	Fiscal Year	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Last 10 Years	Annualized Inception 01-31-04 To Date
Account	0.42	1.99	0.53	2.68	2.67	4.92	4.63
*Custom Index	0.72	2.34	0.25	2.25	1.74	3.69	3.61
Bloomberg Barclays Int. Aggregate	0.72	2.34	0.25	2.25	1.74	3.83	3.80

*Reflects Barclay's Int G/C from Inception to 3/31/11. Bloomberg Barclays Intermediate Aggregate 3/31/11 to date.

The fixed income portfolio characteristics were outlined in comparison to the benchmark. Job well done!

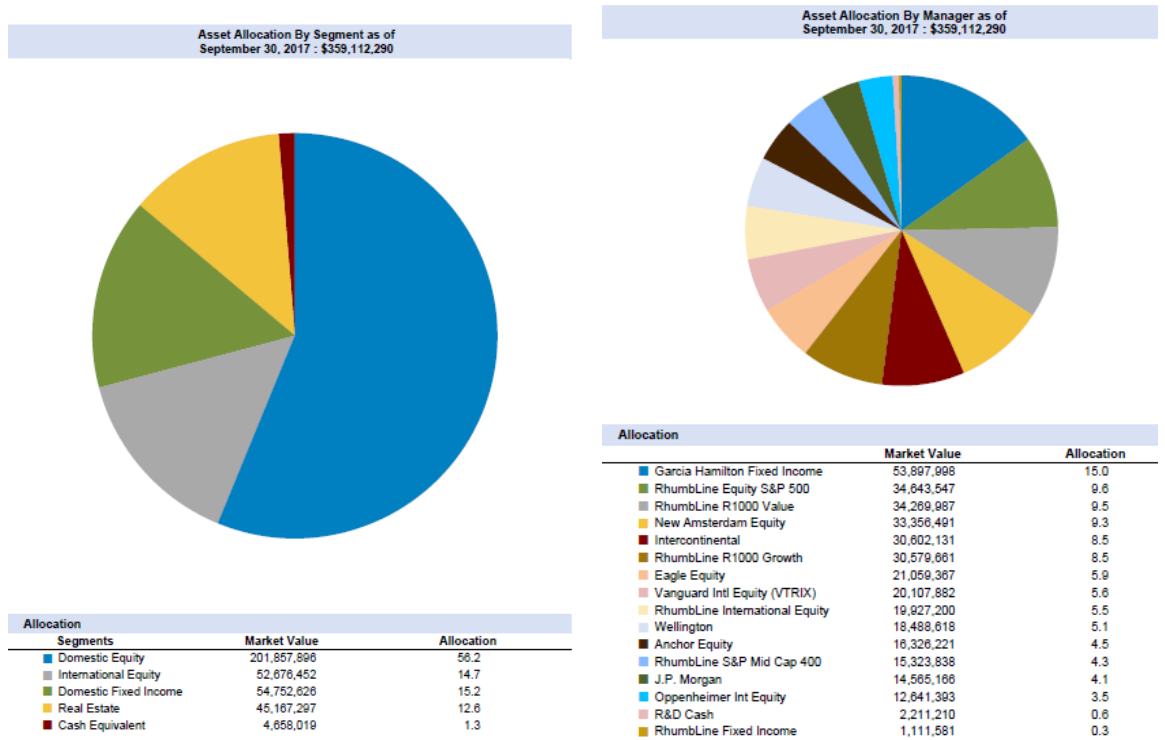
INVESTMENT PRESENTATION – AndCo Consulting

Mr. John McCann appeared before the Board and presented the September 30, 2017 investment report.

As of September 30, 2017, the total assets were valued at \$359,112,290. For the quarter, the total fund returned on a net basis 3.64% vs. 3.56% compared to the target index.

On a fiscal year basis, the total fund returned a stellar 13.44% vs. 13.01% compared to the target index. The median return for all public funds was reported to be 12.15%.

On a three and five-year basis, the Plan returned 7.68% & 9.24% respectively. The five-year return cited ranked our Fund in the TOP 22% of the investment universe and well exceeds our compliance standard of Top 40%.

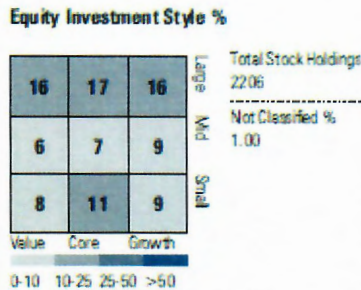


In a spirit of transparency, the entire report may be viewed on-line at:

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

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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, 2017. The report confirms the equity portfolio is well diversified across all market caps and investment styles. A breakdown of each manager followed.



The Board thanked Mr. Jose Christiansen of AndCo Consulting for preparing the foregoing analysis.

OPEN DISCUSSION

Mr. McCann reported back to the Board on the private equity review that Mr. Frost requested at the October 13, 2017 meeting. Mr. McCann felt that an educational presentation may be helpful for the Board. Ms. Weinman interjected that JP Morgan would be happy to assist and she would work out the details with Mr. McCann. The Board by consensus agreed and thanked Ms. Weinman for her assistance.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:11 AM.

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

JLM, Chair

Troy Marchese, Board Secretary