

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

Minutes

**January 12, 2018
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on January 13, 2017 at 8:39 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 and Troy Marchese, Board Trustee.

Also present: Pete Hapgood, Intercontinental Real Estate Corporation; Jaclyn Weinman, JP Morgan Asset Management; John McCann, AndCo Consulting; Mark Parks, Finance Director – City of West Palm Beach; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator.

PUBLIC COMMENT

No Comments

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of December 8, 2017. Mr. Ahern made the motion to approve the minutes of December 8, 2017 as presented, which was seconded by Mr. Marchese. 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, Mr. Ahern made the motion to approve, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 3-0.

ATTORNEY'S REPORT

SPECIAL ACT UPDATE: Bill is progressing through the legislative session.

THOMAS INQUIRY: Mr. Ed Thomas contacted the Plan Administrator about a subrogation matter with the City of West Palm Beach. Mr. Williams referred the member to his attorney for direction.

AUDIT: Mrs. Jensen advised she completed a response to the Board's Audit concerning legal action.

ADMINISTRATOR'S REPORT

TRUSTEE ELECTION: Mr. Williams reported that there will be one board position open on March 6, 2018. The incumbent, Mr. Joe Ahern will be seeking re-election. A notice was publicly posted this date on the web site, and will also follow via e-mail internally for sworn members.

West Palm Beach Police Pension Fund – Minutes

January 12, 2018

Page 2 of 3

Members who wish to participate in an election should announce their candidacy to the Board of Trustees in written form at the Office of Retirement, no later than January 22, 2018 by 9:00 AM. Only full time West Palm Police Officers may run for this position. If an election is warranted, the election dates will be February 5th – 15th, 2018 by 9:00 AM. If a run-off election is warranted, the election dates will be February 19th – March 1st, 2018 by 9:00 AM. The Board agreed by consensus.

INFORMAL DISABILITY HEARING – BRYAN WILLIAMS

Mrs. Jensen began her presentation by stating that Mr. Bryan Williams was provided notice of this meeting by the Plan Administrator and was not present.

In brief, the Board of Trustees considered the request of Mr. Bryan Williams, for a non-duty disability pension. Having reviewed the records, medical and otherwise, including the independent medical examination (IME) of Dr. Jared Jaffe, and having a quorum, the Board of Trustees has determined the following:

- A. Mr. Bryan Williams is wholly prevented from performing the duties of a police officer to which he was assigned and is likely to remain so permanently and continuously.
- B. Given Mr. Williams' medical condition, the City of West Palm Beach does not have a position for the Claimant as a certified police officer; therefore he is unable to render useful and efficient service as a police officer to the City in accordance with Section 16(14)(a).
- C. Mr. Bryan Williams suffers from a disease which was unrelated to his work activity, therefore the Board concludes, his disability is non-duty.
- D. The disability pension shall be effective as of January 12, 2018, the date of the application approval, or the last date for which Claimant receives pay from the City.

Mr. Marchese placed the foregoing in the form of a motion, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 3-0. An Order was executed by the appropriate parties. If a timely appeal is not made within the 20-day period from receipt of this Order, the decision of the Board will become final.

INVESTMENT REPORT – JP MORGAN

Ms. Jaclyn Weinman, JP Morgan came before the Board to review the Special Situation Property Fund. Ms. Weinman advised that our investment in the Fund was valued at \$14,565,142.00 as of September 30, 2017. For the quarter ending September 30, 2017, the gross rate of return for the account was 3.1%, compared to the ODCE Value which returned 1.9%. On a one-year basis, the return was valued at 9.9% vs. the index cited which returned 7.7%. On the longer term (inception date of April 1, 2014 – September 30, 2017), the Special Situation Property Fund rate of return was valued at 14.5% compared to the benchmark of 11.1%. Ms. Weinman detailed recent acquisitions & dispositions, the geographical location, the property type, the acquisition price and the investment rationale.

The following was reported as we look ahead:

- Seek infill industrial acquisition opportunities and existing multifamily projects with renovation potential.
- Acquire older CBD office assets and create value through lobby and common area upgrades.

West Palm Beach Police Pension Fund – Minutes

January 12, 2018

Page 3 of 3

- Concentrate development activities in high barrier to entry submarkets with limited supply pipelines.
- Focus on leasing multifamily developments that are delivering over the next 12 months.
- Projected targeted 12-month total return of 9-11%.

Ms. Weinman advised our queue should called first quarter 2018.

INVESTMENT REPORT – INTERCONTINENTAL

Mr. Peter Hapgood began his presentation by congratulating the Board for their keen insight and broad diversification. Mr. Hapgood also felt having both real estate managers present at the same meeting actually shows how each portfolio balances the other.

Mr. Hapgood reviewed the Intercontinental Real Estate Corporation - US REIF Account. The portfolio was valued at \$30,602,131 as of September 30, 2017. For the quarter ending September 30, 2017, the gross rate of return for the Intercontinental Real Estate Corporation - US REIF was 2.54%, that return handily outpaced the ODCE Index which returned 1.87%.

On a one & three-year basis, the return was valued at 13.26% and 13.75% vs. the index cited which returned 11.58% and 12.91% respectively. Both time periods exceeded the benchmark return. Mr. Hapgood detailed recent acquisitions, the geographical location, the property type, the acquisition price and the investment rationale.

Commercial Real Estate Outlook: Throughout most of the current economic expansion new supply of space has lagged demand, we anticipate that supply will moderately outpace demand for the next few years.

Mr. Hapgood closed by saying that his firm would be happy to sponsor a pre-retirement educational class for the members. Mr. Marchese offered to check with the PBA to be named sponsor.

INVESTMENT REPORT – AndCo Consulting

Flash Report: Finally, a brief report was provided by Mr. McCann for the 4th quarter 2017 – to date. The fund experienced an increase from all sources (contributions and investments) of approximately 14 million dollars since September 30, 2017 through January 10, 2018.

OPEN DISCUSSION

Mr. Frost cited a pension education event he attended where he moderated a panel on infrastructure and energy investments.

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 9.53 AM.

Next meeting is scheduled for February 2, 2017 at 8:30 AM



Troy Marchese, Board Secretary