

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

Minutes

**February 2, 2018
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on February 2, 2018 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 (departed at 10:40 AM); Joseph Ahern, Board Trustee, and Craig Kahle, Board Trustee.

Also present: Lou Penque; Kathleen Hurley, Meena Gandhi & Rob Cousin of JP Morgan; John Dickie & Jack Kilpatrick of Aberdeen Standard; Kevin Campbell, Eric Wilcomes & Brendan Naughton of DuPont Capital; Claire Lewis & Gerald M. Crean of Wellington Management; John McCann AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

No public comment.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of January 12, 2018. Mr. Frost's offered his comments, which were duly noted. Mr. Marchese made the motion to approve the minutes, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

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

INDEPENDENT AUDIT PRESENTATION

Financial Statements – September 30, 2017 Davidson, Jamieson & Cristini, P.L. – Matter Tabled

ATTORNEY'S REPORT

Special Act Update: Mrs. Jensen reported the legislation is progressing well through the session. Other legislative matters of interest were also highlighted.

New Hires: The medical review process is working well and being monitored.

Lemanowicz Review: Mrs. Jensen reported that she reviewed the records of this member who has applied for early retirement. Based on the totality of circumstances, she did not identify any nexus to his employment and therefore Florida Statue 112.3173 would not apply. As a result of the finding, Mr. Ahern made a motion to approve the early retirement request, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

Anchor Capital: Mrs. Jensen stated a letter was received and reviewed concerning the Anchor Capital Advisors Regaining Majority Ownership from Boston Private. Assignment acknowledgement was requested. Having no opposition, Mr. Marchese made a motion to execute the assignment letter, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

ADMINISTRATOR’S REPORT

Nomination Results: Mr. Williams reported the trustee nomination process. Having no opposition when the nominations closed, Mr. Ahern was reappointed. Due notice was provided to the City of West Palm Beach. Mr. Marchese made a motion to accept the nomination results, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

Notice posted to the web:

<http://www.wpbppf.com/docs/announcements/WPB%20Police%20Pension%20Trustee%20Ahern%20Reappointment%2001-23-2018.pdf#zoom=100>

Open Enrollment: It was also noted that this was the open enrollment month for DROP/SHARE Distributions.

PRIVATE EQUITY INVESTMENT – INTERVIEWS

Mrs. Kathleen Hurley, Mrs. Meena Gandhi & Mr. Rob Cousin of JP Morgan; Mr. John Dickie & Mr. Jack Kilpatrick of Aberdeen Standard; Mr. Kevin Campbell, Mr. Eric Wilcomes & Mr. Brendan Naughton of DuPont Capital all appeared before the Board to provide a presentation in the private equity arena. Their respective investment teams were detailed; their investment approach, type & strategy were also outlined by the representatives. The Board thanked all the representatives for the thought provoking presentations.

Discussion ensued at the conclusion of the presentations by the Board of Trustees. The Trustees identified the unique investment approach that each manager brought to the table and how that may assist the Fund attaining diversification within this allocation. The lock up period was discussed but Mr. McCann assured the Trustees that the funds being tied up would not cause a liquidity issue. Mr. McCann proposed the Board consider a 10% allocation or 36 million dollars for this investment. It was the general feeling of the Trustees that the amount being allocated was substantial enough to retain all three investment firms.

After reaching a consensus, Mr. Kahle made a motion to retain JP Morgan, Aberdeen Standard & DuPont Capital for private equity investments, allocating 12 million per manager; in furtherance to provide authority to Mrs. Jensen to seek out a suitable contract from all the firms for the Board to consider as soon as practical. The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 3-0. Mr. Marchese was off the dais.

INVESTMENT PRESENTATION – AndCo Consulting: - Tabled

The report may be viewed at:

http://www.wpbppf.com/docs/investments/WPBPPF_Report_2017_Q4.pdf#zoom=100

INVESTMENT MANAGER PRESENTATION – SMALL CAP VALUE

Ms. Claire Lewis & Mr. Gerald M. Crean of Wellington Management provided the December 31, 2017 portfolio review. The value of the fund was \$19,019,192. It was noted that the portfolio has been under management since March 31, 2016. Since that inception date the rate of return was 13.47%, which lagged the benchmark. On a one-year basis through December 31, 2017 the return was valued at 4.75% which also lagged the benchmark. Finally, on a quarterly basis ending December 31, 2017, the return was 3.09% or 100+ basis points greater than the benchmark. Portfolio characteristics were detailed along with the top ten holdings. While the returns were positive, the Trustees reminded representatives that the index was the target to beat over time. The Trustees felt that the presentation was helpful & insightful. They were hopeful that Wellington was poised for a comeback.

OPEN DISCUSSION

No discussion ensued.

West Palm Beach Police Pension Fund – Minutes

February 2, 2018

Page 3 of 3

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 11:41 AM.

The next regular meeting is scheduled for March 9, 2018 at 8:30 AM.

A handwritten signature in black ink, appearing to read 'T. Marchese', written in a cursive style.

Troy Marchese, Board Secretary