

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

Minutes

**June 8, 2018
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on June 8, 2018 at 8:33 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. Having an official quorum present and without opposition Wilton White joined the meeting via conference call (until 9:27 AM).

Also present: Mark Parks, City of West Palm Beach (arrived at 8:36 AM); Crystal Wamble, Eagle Asset; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

With pride and pleasure Mr. Williams announced that Mr. Ernest George was a 2018 inductee of the Florida Law Enforcement Officers' Hall of Fame (FLEOHOF)¹. Further details may be viewed at: <http://www.fdle.state.fl.us/CJSTC/FLEOHOF/2016-Inductees.aspx> All present congratulated Mr. George on this esteemed honor.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any additional changes required to the minutes of May 11, 2018 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 5-0.

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. Ahern made the motion to approve, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Mrs. Jensen reviewed the side letter for the Aberdeen account. After reviewing and considering all the options, a motion was made by Mr. Marchese to accept and execute the side letter, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

¹ In October 2014, the Hall of Fame was created through Section 265.0041, Florida Statutes, to recognize and honor law enforcement officers who put their lives on the line for the safety and protection of Florida's citizens and visitors through their works, service and exemplary accomplishments.

The Florida Department of Law Enforcement (FDLE) is privileged to establish the FLEOHOF to honor contributions made to our state by these exceptional individuals. This is a tribute to their unselfish dedication as daily heroes in the lives of many throughout the state. It is also noteworthy to offer appreciation to these individuals who contribute to the advancement of the law enforcement field. Each year, inductees' names will be affixed on a plaque in the Florida Law Enforcement Officers' Hall of Fame, which is located on the Plaza Level of the Florida Capitol Building.

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A draft of the summary plan description was reviewed by Mrs. Jensen. At the conclusion of the presentation, a motion was made by Mr. Kahle to approve and release the publication, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

ADMINISTRATOR'S REPORT

Mr. Williams announced that the 2017 annual report was approved by the State of Florida – Division of Retirement. Mr. Williams thanked Mr. Parks and his staff for gathering the data required to bring this matter to a successful close.

Link to approval:

http://www.wpbppf.com/docs/announcements/West%20Palm%20Beach%20Police%20Approval_2017.pdf#zoom=100

Mr. Williams mentioned the receipt and compliance with two Subpoenas for domestic related matters. He was also in touch with a member's former spouse about a pending matter. No further action is required at this juncture.

Mr. Williams cited two capital calls received: The first capital call was from JP Morgan Private Equity, which was executed upon receipt and the funds were drawn from the Rhumblin – Russell 1000 value account. The second capital call was from Aberdeen Private Equity. The call date is June 15, 2018, so Mr. Williams wanted to ensure the Board agreed with the account the funds were being drawn from – Rhumblin Large Cap Value. Mr. McCann explained his position drawing from the large cap value and growth accounts, as they overlap the core account. Motion made by Mr. Ahern to target the account cited as the capital calls come in. This motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

Mr. Williams noted that member – Louis Schwartz was in the process of filing for disability. Once all the required documents were received he would be sending them along to counsel. The Trustees asked Mrs. Jensen to conduct her usual due diligence review of the special act to ensure compliance with all applicable provisions.

Administrative Expense Budget: Mr. Williams presented the administrative budget pursuant to Senate Bill 172. Mr. Williams indicated the 2018/2019 administrative expense budget prepared is based on the administrative expenses for the fiscal year that ended September 30, 2017. The percentage of Plan Net Position is based on the ending balance of September 30, 2017. Mr. Williams advised that like other governmental entities that develop budgets, our goal is not to meet or exceed the budgeted amount. It is not a situation where we use or lose it, simply an exercise on paper required by legislation. Mr. Frost sought and received input from all parties present to include Mr. Parks, who was provided a copy. A motion was made by Mr. Marchese to approve the 2018/19 administrative budget as presented, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

The Administrative Expense Budget may be viewed on line at:
<http://www.wpbppf.com/modules/stateDocs/index.asp>

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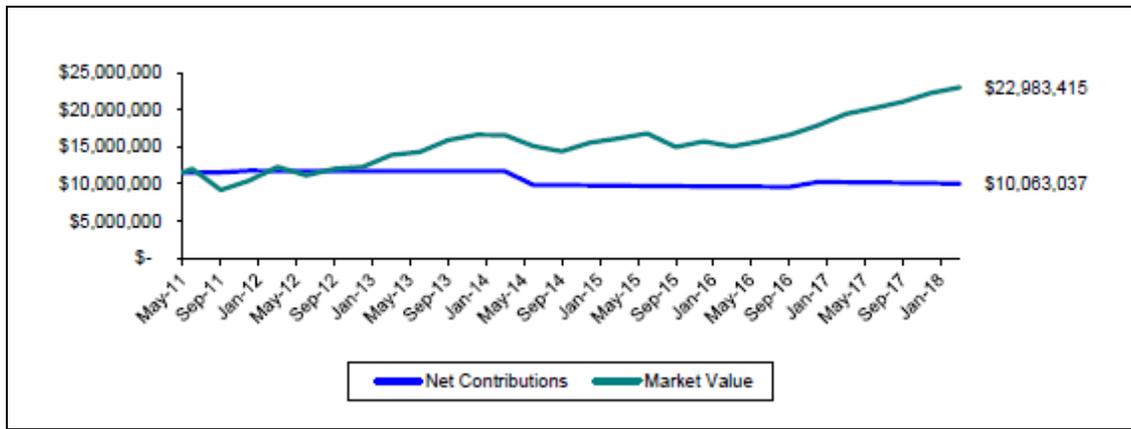
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INVESTMENT PRESENTATION Eagle Asset – Quarterly Review

In the absence of Mr. Clay Lindsey, Mrs. Crystal Wamble presented the first quarter 2018 investment report to the Trustees.

Mrs. Wamble cited that for the quarter ending March 31, 2018, the account was valued at \$22,983,415. The initial contributions were valued at \$11,578,871.00. For the quarter, the account net return was 3.19%, in comparison to the 2.30% return for the Russell 2000 Growth Index. On the fiscal year basis, the account net return was reported at 9.14% vs. 6.99% for the same benchmark cited. The portfolio return was 11.01% for the last three years, compared to the benchmark return of 8.77%.



The following quarterly market overview was provided to the Trustees: Small-cap stocks posted varied results in the midst of substantial volatility during the 1st quarter of 2018, as the Russell 2000® Growth Index (up 2.3 percent) outperformed the Russell 2000® Value Index (down 2.7 percent) in the period. Sector-level returns within the Russell 2000® Growth were primarily led by strong results within information technology (up 9.9 percent), while health care (up 6.4 percent) also meaningfully contributed to returns. Results within the energy sector most notably weighed on index returns during the quarter (down 15.5 percent), while real estate (down 7.3 percent), consumer staples (down 4.3 percent) and consumer discretionary (down 3.1 percent) also declined in the period.

Contributors to relative performance: Consumer Discretionary & Industrials. Detractors from relative performance: Health Care & Information Technology.

INVESTMENT MONITORING REPORT

Mr. McCann presented a flash report for the fiscal year to date, the Plan return through May 31, 2018 is valued at 5.74%².

Mr. McCann also raised inquires he receives from the media. The Trustees advised Mr. McCann to refer all inquiries to the official minutes.

Based on discussions with the Trustees, Mr. McCann will be bringing a search for the Board to consider at the July 20, 2018 meeting, based on New Amsterdam's performance. Wellington is also being monitored closely.

OPEN DISCUSSION

Mr. Frost reminded all concerned of the state of the pension workshop before the city commission on June 11, 2018.

² Gross basis

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Trustees discussed the upcoming Opal Public Funds Summit they will be attending.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:41 AM.

Next meeting is scheduled for July 20, 2018 at 8:30 AM.

A handwritten signature in black ink, appearing to read 'Troy Marchese', written in a cursive style.

Troy Marchese, Board Secretary