

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

Minutes

**August 10, 2018
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on August 10, 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, Joseph Ahern, Board Trustee, Craig Kahle, Board Trustee & Dana Santino, Board Trustee.

Also present: Steve Olson; Ellen Walsh, SEIX Investment Advisors; Thomas Flannery & Ben Alibrandi, Credit Suisse; Michael Spitler, Pacific Asset Management; Alyse Vishnick, OFI Global Asset Management; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

- Mr. Frost welcomed Trustee Dana Santino to the Board of Trustees.
- Mr. Steve Olson appeared before the Board regarding naming Estates as Beneficiaries via a Trust. This matter was discussed at the July 20, 2018 meeting.¹ Mrs. Jensen stated that our Plan does not recognize a Trust, as it is not a living person. Concerns rose over the potential cost(s) to the Plan as well as the additional administrative duties and responsibilities. After an exchange between all parties a motion was made by Mr. Ahern for Mrs. Jensen to contact a tax law attorney to review and to report back. The motion was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 4-0.
- Mr. Penque inquired about overtime being pensionable for temporary school resource officer positions. An affirmative response was provided by Mrs. Jensen based on the question posed and the special act.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any additional changes required to the minutes of July 20, 2018 Mr. Frost comments were duly noted. Mr. Kahle 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.

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 Ms. Santino. All Trustees voted yes, and the motion was passed 4-0.

¹ http://www.wpbppf.com/docs/minutes/WPB_Minutes_20180720.pdf#zoom=100

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ATTORNEY'S REPORT

- Mrs. Jensen sought approval of Dr. Jeffrey Worth for an independent medical examiner in the Schwartz Matter. While she is still collecting medical records, she wanted to be prepared to move forward. After considering the foregoing, a motion was made by Mr. Ahern to accept Dr. Jeffrey Worth as the independent medical examiner, which was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 4-0.
- Mrs. Jensen also advised the Board that Mr. Schwartz was separated (August 1, 2018) by the City due to his injury.
- New Hire Reviews – Mrs. Jensen briefed the Board that medical reviews are up to date and have been proceeding well.
- Mrs. Jensen reported that the Plan received a public records request from Mr. Steven Schupbach of American Transparency. Mr. Williams identified a report that complied with the request as well as Chapter 119, Florida Statutes. Requests of this nature are being received across the pension spectrum.
- Cyber Audit - Mrs. Jensen is gathering information and the costs. Mr. Williams reinforced our system is a small stand-alone network and the probability of attack is unlikely. The Board also secured cyber liability insurance last year as well to protect the Plan and its members. The web site is separate and apart from the network.

ADMINISTRATOR'S REPORT

- Mr. Williams informed the Board of recent termination(s) and his action(s) that followed to return their member contributions.
- The passing of Member Cleveland Barber was announced by Mr. Williams. His efforts to transition his widow was noted. <https://www.legacy.com/obituaries/palmbeachpost/obituary.aspx?n=cleveland-barber&pid=189759745>
- 2019 meeting schedule was released to the Trustees. Mr. Frost moved the January meeting from 11th to the 4th. Mr. Williams will update and post accordingly. Mr. McCann will also advise all the managers. http://www.wpbppf.com/docs/boardMeetings/2019_WPB_Meeting_Dates%20revised%2008-10-2018.pdf#zoom=100
- Mr. Williams provided the draft script for Mr. White's Memorial Bench and Honorarium to be bestowed upon Mrs. White for his dedicated service. The language was approved by consensus. Mrs. White will be invited to the September 14, 2018 meeting along with other interested parties. Mr. Williams asked the Trustees to let him know if they had any suggested invitees. Meeting start time may be altered as well.

INVESTMENT PRESENTATION OFI Global Asset – Quarterly Review

Ms. Alyse Vishnick, OFI Global Asset Management outlined the OFI Emerging Market Portfolio as of June 30, 2018. Although the return was negative for the quarter, relative to the index, the portfolio beat the index by 410 basis points. Over the rolling 12 months, the portfolio return was 12.55% (net) vs. the index return of 8.20%. Dating back to the inception date of October 25, 2012, the return was valued at 6.03% vs. the index return of 3.60%. Positioning and characteristics were noted as well by Ms. Vishnick.

The portfolio has formative downside protection over the index, while also capturing the upside in the market as well. Ms. Vishnick reflected that emerging markets are still a great opportunity.

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INVESTMENT PRESENTATIONS – LEVERAGED LOANS

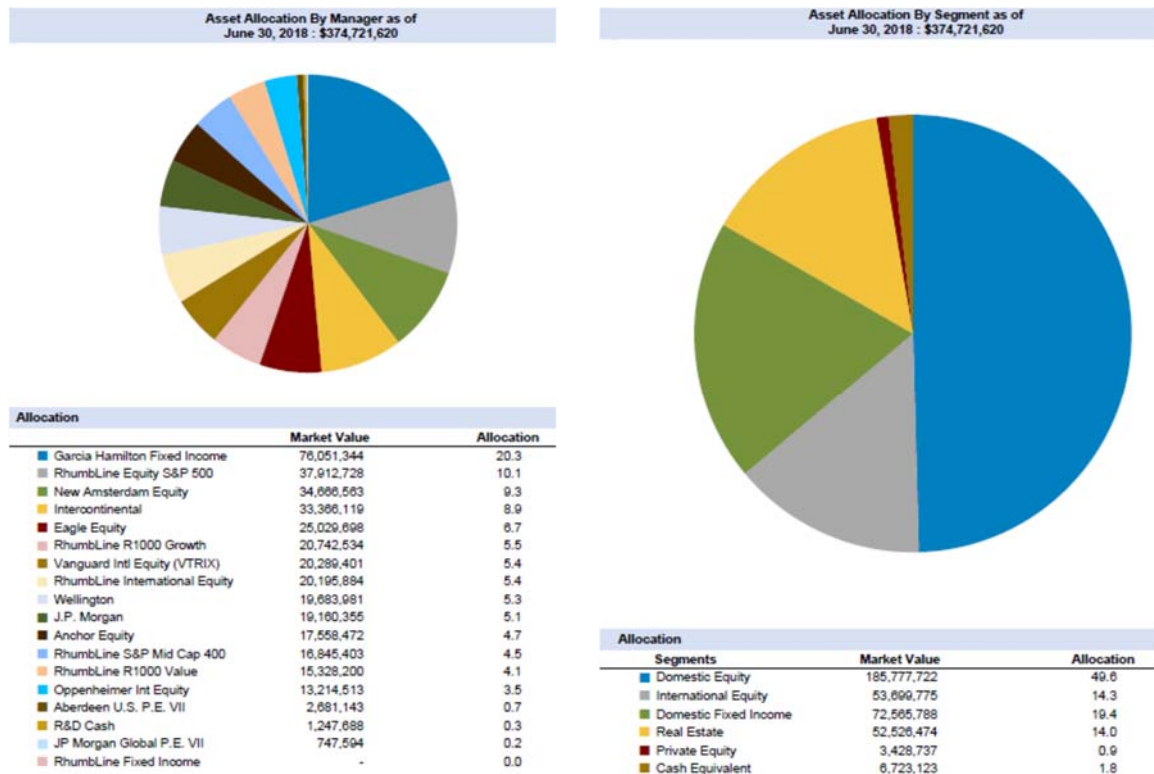
Ms. Ellen Walsh, SEIX Investment Advisors; Mr. Thomas Flannery & Mr. Ben Alibrandi, Credit Suisse and Mr. Michael Spitler, Pacific Asset Management all appeared before the Board and provided a detail presentation of Leveraged Loans. Investment Philosophy, research and approach was outlined by the representatives. Portfolio characteristics and performance was also detailed. The speakers were thanked by the Board for their time and effort. The Board along with Mr. McCann discussed the pros and cons as they saw it, which equates to the risk and reward of the asset allocation. In the end, the Board has elected not to make a commitment and to table the investment at this juncture. No further action is pending.

INVESTMENT MONITORING REPORT

Mr. John McCann appeared before the Board and presented the June 30, 2018 investment report. As of June 30, 2018, the total assets were valued at \$374,712,620. For the quarter, the total fund return was valued at 2.55%² vs. 2.27% compared to the target index. That return placed the Plan in the TOP 7% of the investment universe.

On a fiscal year basis, the total fund returned 6.37% (TOP 11%) vs. 5.80% (TOP 21%) compared to the target index. The median return for all public funds was reported to be 4.78%.

On a one and three-year basis, the Plan returned 10.37% & 7.56% respectively. The one-year return cited ranked our Fund in the TOP 10% of the investment universe and well exceeds our compliance standard of Top 40%.



A breakdown review was undertaken of each investment manager and asset class by Mr. McCann. During the review the continued underperformance of New Amsterdam was noted by the Trustees and highlighted by Mr. McCann. As a result, Mr. McCann presented the State Street Global Advisors – Russell Small Cap Completeness Index Strategy to the Board to consider.

² Gross basis

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After review and discussion, Mr. Ahern made the motion to direct New Amsterdam to liquidate 15 million dollars in the portfolio and direct Fiduciary Trust (our custodian) to purchase the index strategy recommended by Mr. McCann. This motion was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0. Mr. Williams will proceed as soon as administratively practical.

OPEN DISCUSSION

No discussion ensued.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 11:39 AM.

Next meeting is scheduled for September 14, 2018, the time is pending.

A handwritten signature in black ink, appearing to read 'Troy Marchese', with a large, sweeping flourish extending upwards and to the right.

Troy Marchese, Board Secretary