

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

**Minutes**

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

**CALL THE MEETING TO ORDER**

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on October 12, 2018 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 Trustee, Dana Santino, Board Trustee & Joseph Ahern Board Trustee (arrived 8:44 AM).

Also present: John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator. Denise A. D'Entremont, Director - Marketing & Client Services - RhumbLine Advisers (via conference call).

**PUBLIC COMMENT**

No Comments.

**APPROVAL OF THE MINUTES**

Mr. Frost asked if there were any additional changes required to the minutes of August 10, 2018 & September 14, 2018. Mr. Marchese made the motion to approve the minutes as cited, which was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 3-0. (Mr. Ahern not present).

**APPROVAL OF DISTRIBUTIONS**

Mr. Williams distributed New Warrants 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 reports and responded to inquiries, Mr. Marchese made the motion to approve the 09-14-2018 & 10-12-2018 reports, which was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 3-0. (Mr. Ahern not present).

Share Allocation: Mr. Williams presented the share allocation report for formal consideration. The Fund received \$1,455,967.66 from the State of Florida. A full share equated to \$5,339.23 per member. A forfeiture of \$72,254.92 was reallocated. A full forfeiture share equated to \$266.93 per member. After further review and discussion Mr. Marchese made a motion to accept and approve the allocation reports. The motion was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 3-0. (Mr. Ahern not present).

**ATTORNEY'S REPORT**

- Naming a Trust: Mrs. Jensen reviewed this matter with a tax attorney. No legal requirement that we allow a Trust to be named. It was her opinion the collective bargaining agreement (CBA) would have to be changed to allow it. Furthermore, by doing so would mean we "the Board" are assuming a larger responsibility and role. Concerns arose again over the potential cost(s) to the Plan as well as the liability. Additional administrative duties and responsibilities also was noted. The Board asked Mrs. Jensen to review the Summary Plan Description to ensure it is clear to the members. By consensus the Board felt the matter was reviewed and no further action was required.
- Cyber Audit: Mrs. Jensen spoke with several firms to conduct cyber review. Prices ranged from \$6,000.00 to \$25,000.00 based on the level of review. Mr. Williams indicated that the Plan currently receives internet access services through the PBA.

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Our IT representative suggested that we seek our own internet service connection which will reduce further potential access. After review and discussion, the Board agreed a smaller standalone network would be beneficial. A motion was made by Ms. Santino to approve the proposed standalone service. Seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0. Mr. Frost closed the matter by saying he felt this was a prudent review and was pleased the Board considered all the options.

- Mrs. Jensen stated the target date for the Schwartz Matter is the November meeting.
- Mrs. Jensen advised that the city travel policy recently changed. She reviewed new policy and our current policy is still in-line with the city's. No further action required.
- New Hire Reviews – Mrs. Jensen reported her recent interpretations regarding school resource coverage being pensionable overtime (if applicable).
- Mrs. Jensen reported on Amendment 6: See link below.

[http://www.wpbbpf.com/docs/announcements/Memo%20re%20Amendment%206%20-%20Florida%20Constitution%20\(00113932xBC171\).pdf#zoom=100](http://www.wpbbpf.com/docs/announcements/Memo%20re%20Amendment%206%20-%20Florida%20Constitution%20(00113932xBC171).pdf#zoom=100)

### ADMINISTRATOR'S REPORT

No formal report presented.

### INVESTMENT PRESENTATION - Rhumblin Review

Ms. Denise A. D'Entremont provided the following updates to the range of passive investments being held by Rhumblin.

#### S&P 500 Pooled Index Fund – Date of Inception: May 22, 2015

PERFORMANCE (Gross of Management Fees thru 9/30/2018)			MARKET VALUE SUMMARY	
	PORTFOLIO	S&P 500 INDEX		
2018 - YTD thru September	10.54%	10.56%	Initial Contribution (5/31/2015):	\$27,294,564.25
Trailing 1 Year	17.87%	17.91%	Additional Contributions (1):	<u>\$310,252.68</u>
Trailing 3 Year (Annualized)	17.26%	17.31%	Net Investment:	\$27,604,816.93
Since Inception (Annualized)	12.46%	12.50%	Market Value (as of September 30, 2018):	<u>\$40,832,673.08</u>

#### MSCI EAFE Pooled Index Fund – Date of Inception: January 31, 2016

PERFORMANCE (Gross of Management Fees thru 9/30/2018)			MARKET VALUE SUMMARY	
	PORTFOLIO	MSCI EAFE INDEX		
2018 - YTD thru September	-1.17%	-1.43%	Initial Contribution (1/31/2016):	\$7,495,612.97
Trailing 1 Year	2.74%	2.74%	Additional Contributions (1):	<u>\$7,800,000.00</u>
Since Inception (Annualized)	11.89%	11.67%	Net Investment:	\$15,295,612.97
			Market Value (as of September 30, 2018):	<u>\$20,472,476.67</u>

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### Russell 1000 Value Pooled Index Fund – Date of Inception: May 26, 2017

PERFORMANCE (Gross of Management Fees thru 9/30/2018)			MARKET VALUE SUMMARY	
	<u>PORTFOLIO</u>	<u>RUSSELL 1000 VALUE INDEX</u>		
2018 - YTD thru September	3.91%	3.92%	Initial Contribution (5/26/17):	\$32,828,577.01
Trailing 1 Year	9.43%	9.45%	Withdrawals (5):	<u>\$20,337,102.13</u>
Since Inception (Annualized)	10.82%	10.83%	Net Investment:	\$12,491,474.88
			Market Value (as of September 30, 2018):	<u>\$16,202,679.53</u>

### Russell 1000 Growth Pooled Index Fund – Date of Inception: March 31, 2017

PERFORMANCE (Gross of Management Fees thru 9/30/2018)			MARKET VALUE SUMMARY	
	<u>PORTFOLIO</u>	<u>RUSSELL 1000 GROWTH INDEX</u>		
2018 - YTD thru September	17.07%	17.09%	Initial Contribution (3/31/17):	\$27,589,323.96
Trailing 1 Year	26.25%	26.30%	Withdrawals (1):	<u>\$14,501,436.99</u>
Since Inception (Annualized)	25.08%	25.12%	Net Investment:	\$13,087,886.97
			Market Value (as of September 30, 2018):	<u>\$22,642,391.36</u>

### S&P 400 Pooled Index Fund – Date of Inception: July 31, 2016

PERFORMANCE (Gross of Management Fees thru 9/30/2018)			MARKET VALUE SUMMARY	
	<u>PORTFOLIO</u>	<u>S&amp;P 400 INDEX</u>		
2018 - YTD thru September	7.44%	7.49%	Initial Contribution (7/31/2016):	\$12,450,446.17
Trailing 1 Year	14.16%	14.21%	Market Value (as of September 30, 2018):	<u>\$17,493,372.30</u>
Since Inception (Annualized)	14.43%	14.47%		

### INVESTMENT MONITORING REPORT

- Fiscal Year Flash Report: Mr. John McCann presented a flash report for the period ending September 30, 2018. Mr. McCann advised the Plan returned 9.41% on a net basis. That return did not include the real estate component.
- Hurricane Assessment: Mr. Frost asked Mr. McCann to brief the Board at the next meeting if our real estate holdings were damaged from any of the recent storms.
- Mr. McCann advised the Board in order to maintain compliance with the investment policy, the city's annual contribution was transferred to Garcia Hamilton.

### OPEN DISCUSSION

- Ms. Santino reported that she attended the FPPTA – CPPT Beginning Phase. She felt it is a worthwhile program for new Trustees.

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**ADJOURNMENT**

Being there was no other business; the meeting was adjourned at 9:48 AM.

Next meeting is scheduled for November 9, 2018, the time is pending.

A handwritten signature in black ink, appearing to read 'Troy Marchese', written over a faint rectangular box.

Troy Marchese, Board Secretary