

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

Minutes

**December 14, 2018
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on December 14, 2018 at 8:35 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, Dana Santino, Board Trustee, Craig Kahle, Board Trustee and Joe Ahern, Board Trustee (*arrived 8:33 AM*).

Also present: Louis Schwartz, Louis Penque, John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; 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 November 9, 2018. Mr. Marchese made the motion to approve the minutes as presented, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0. Mr. Ahern was not present.

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.

RMD: The elements of the required minimum distributions were reviewed as well. After Mr. Williams detailing the report and responding to inquiries, Mr. Marchese made the motion to approve, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0. Mr. Ahern was not present.

2019 COLA: Mr. Williams reviewed the 2019 cost of living report, payable January 1, 2019. After Mr. Williams detailed the report and responded to inquiries, Mr. Ahern made the motion to approve, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Schwartz Disability Order: Mrs. Jensen prepared an order for the Board to consider based on the action taken at the November 9, 2018¹ meeting. After review and discussion, Mr. Marchese made the motion to approve the order, which was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 5-0.

Schwartz AFC: Mrs. Jensen handed out a copy of the governing special act and focused on Section 16 (2)(h) "Final Average Salary". The act defines salary as follows:

"Final average salary" means the average of the monthly salary paid a member in the three (3) best years of employment. In no event shall any one (1) year, beginning January 1, 2005, include more than four hundred (400) hours of overtime.

¹ http://www.wpbppf.com/docs/minutes/WPB_Minutes_20181109.pdf#zoom=100

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Prior to January 1, 2005, individual years may include more than four hundred (400) hours of overtime. Effective prospectively from January 1, 2013, the overtime will be limited to three hundred (300) hours in any one (1) year. *Effective June 6, 2017 for purposes of determining final average salary, any lump sum payment made to a member for retroactive pay, such amounts shall not be considered as a lump sum but will be treated as if paid during the retroactive pay periods.*

The issue at hand is that Mr. Schwartz (who was terminated and later reinstated) received approximately 3.8 years of retroactive salary over two pay periods² and felt his retroactive payment(s) should be grandfathered in.

Ms. Santino confirmed that Mr. Schwartz retired (in-service disability) effective November 9, 2018. She asked when the average final salary would normally be examined, which Mr. Williams confirmed would be the time of retirement. Ms. Santino reflected that the date of retirement for Mr. Schwartz, is after the effective date of June 6, 2017.

Mr. Frost read 16 (2) (h) and noted that there was no grandfather provision contained therein.

Mrs. Jensen also cited *Williams v. Scott* to consider³.

Other members were discussed whereas the retroactive payments were included in final average salary, but their final average salary was determined before June 6, 2017, the effective date of the provision of the special act.

At the conclusion of the discussion, Ms. Santino made a motion that all the salary should in fact be counted, but as earned and not as paid. The lump sums should be spread out over the 3.8 years then factored as provided by the special act. The motion was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0. A formal order will be prepared and brought before the Board at the January 4, 2019 meeting.

ADMINISTRATOR'S REPORT

Printer: Mr. Williams advised that the printer lease was expiring, and he presented two options to the Board to consider. Ms. Santino made a motion to engage Milner Proposal One, which is a 39-month lease for \$169.00 per month and authorize Mr. Williams to execute the required documents. Mr. Marchese seconded the motion. All Trustees voted yes, and the motion was passed 5-0.

FTIS: Delegation of Authority document from our custodian was presented to the Board to consider. Mrs. Jensen opined on this document as well. After review, Mr. Marchese made the motion to approve, which was seconded by Ms. Santino. All Trustees voted yes, and the motion was passed 5-0.

INVESTMENT PRESENTATION – AndCo Consulting

Mr. John McCann discussed the POB report he prepares for the City. As a result of additional allocations, etc. the original report is no longer viable. He will prepare a POB based on all assets with the original effective date going forward. Mr. Parks will be consulted. The Board agreed by consensus.

Flash Report: Mr. McCann advised that through November 2018, the portfolio was down 4.00%.

² 05-05-2012 paid \$83,001.87 & 06-23-2012 paid \$170,440.60

³ <https://caselaw.findlaw.com/fl-supreme-court/1620986.html>

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Wellington: Mr. McCann is continuing to monitor Wellington. Report will follow at the January 2019 meeting.

OPEN DISCUSSION

A brief educational round robin was undertaken.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:34 AM.

Next meeting is scheduled for January 4, 2019 at 8:30 AM.

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

Troy Marchese, Board Secretary