

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

**Minutes**

**December 13, 2019  
8:30 AM**

**CALL THE MEETING TO ORDER**

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on November 8, 2019 at 8:30 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, Craig Kahle, Board Trustee & Joseph Ahern Board Trustee. Dana Fragakis attended via conference call (see the following motion).

As there was an official quorum present Mr. Marchese made a motion to authorize Mrs. Fragakis to attend telephonically due to an unavoidable conflict to personally attend the meeting. The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.<sup>1</sup>

Also present: John McCann, Kadmiel Onodje & Kevin Laake, AndCo Consulting; Jeff Marano & Sophia Mullen, Entrust; Sean Conroy & Michael Kirchner, GCM Grosvenor; Eric Wilcomes & Kevin Campbell, Taurus Private Markets; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator and Michael Williams, Administrative Assistant.

**PUBLIC COMMENT**

None.

**APPROVAL OF THE MINUTES**

After making his comments that were duly noted, Mr. Frost asked if there were any additional changes required to the minutes of November 8, 2019. Mr. Ahern made the motion to approve the minutes cited, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

**ALTERNATIVE INVESTMENT PRESENTATIONS**

Mr. John McCann introduced Mr. Kadmiel Onodje & Mr. Kevin Laake, Research Representatives for AndCo Consulting. The representatives specialize in the area of the presentations to be heard today. Mr. McCann provided an overview of the managers that will be heard today, as well as other managers under consideration (JPMorgan and Aberdeen – Private Equity).

The following representatives appeared before the Board and provided detailed information about their respective investment proposal: Mr. Jeff Marano & Ms. Sophia Mullen for Entrust; Mr. Sean Conroy & Mr. Michael Kirchner of GCM Grosvenor and Mr. Eric Wilcomes & Mr. Kevin Campbell of Taurus Private Markets. Each presenter offered thought provoking information for the Board to consider. An open exchange took place during the presentation between the representatives and the Board.

At the conclusion of the presentation a round robin ensued between the AndCo representatives and the Board. Mr. McCann felt it would be prudent to focus on private equity at this juncture. With that comment, the Board by consensus eliminated GCM Grosvenor. The Board also agreed that Entrust would be monitored and revisited in 2020.

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<sup>1</sup> Mrs. Fragakis could not vote.

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Mr. Kahle departed the meeting at 10:40 AM.<sup>2</sup>

Taurus Private Markets was embraced by all Board members present. It was felt that laddering the private equity portfolio would be a prudent choice. It was noted that Taurus was in the final operational due diligence review by AndCo, barring any unforeseen issues would be added to the approved vendor list.

Motion by Mr. Ahern to retain Taurus Private Markets pending the operational review and successful contract negotiations. Mr. Marchese seconded the motion. All Trustees voted yes, and the motion was passed 4-0.

JPMorgan Private Equity and Aberdeen Private Equity will also be placed in queue for 2020.

Mr. McCann will advise all managers.

### **ATTORNEY'S REPORT**

- Mrs. Jensen reviewed in brief the Aberdeen – Amendment No. 1 and sanctioned the approval. Mr. Marchese made to the motion to accept the Aberdeen – Amendment No. 1, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.
- Mrs. Jensen cited that Invesco is changing the way the fee is formulated and sanction approval. Invesco advised in writing that they are adopting the industry best practices, are updating the way we calculate your management fees. The new, more precise method of calculation will be based on daily assets throughout the billing period. This means that the management fee will be calculated each night by taking each day's ending market value of your account. Mr. Marchese made to the motion to accept the new Invesco fee structure, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

### **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 report, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

### **ADMINISTRATOR'S REPORT**

- Mr. Williams introduced Mr. Michael Williams to the Board. Mr. Michael Williams will be handling additional duties and responsibilities on behalf of the Plan.
- Mr. Williams advised the Board that he researched the fees of other attorneys and found them to be in-line with the proposal of Mrs. Jensen. Motion by Mr. Marchese to accept the proposal of Klausner, Kaufman, Jensen & Levinson effective January 1, 2020. Motion seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.
- Mr. Williams provided the Required Minimum Distribution (RMD) Report completed by the Board Actuary for the Board to review and consider. Upon doing so Mr. Marchese made a motion to approve the RMD's via warrant requests, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0. Mr. Williams reflected that all affected members were notified in writing.
- Mr. Williams provided the 2020 Cost of Living Report (COLA) completed by the Board Actuary for the Board to review and consider. Upon doing so Mr. Ahern made a motion to approve the 2020 COLA's as presented, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0. Mr. Williams reflected that all affected members were notified in writing.

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<sup>2</sup> An official quorum was still present in the meeting.

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- Mr. Williams sadly announced the passing of Mr. Frank Gottfried and Mr. William Eaton. For illustration purposes, Mr. Williams provided the benefit conversion letter for Fiduciary Trust.
- Mr. Williams congratulated and presented to the Board of Trustees the 2019 Public Pension Coordinating Council (PPCC) Recognition Award for Administration and Funding. The Plan sponsor, the City of West Palm Beach (Mayor, Commission & Staff) were also recognized.

Mr. Williams advised that the Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States serving most of the nation's 16 million employees of state and local government.

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark by which to measure public defined benefit plans.

To receive the Recognition Award for Administration, the retirement system must meet the requirements in five areas of assessment.

Those areas are:

1. **Comprehensive Benefit Program.** The system must provide a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.
2. **Actuarial.** An Actuarial Valuation must be completed at least every two years using generally recognized and accepted actuarial principles and practices.
3. **Audit.** The system must obtain an unqualified opinion from an independent audit conducted in accordance with government auditing standards generally accepted in the United States.
4. **Investments.** The system must follow written investment policies and written fiduciary standards and the system must obtain an annual investment performance evaluation from an outside investment review entity.
5. **Communications.** Members must be provided a handbook or summary plan description, regular updates to the documents, and an annual benefit statement. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

To receive the Recognition Award for Funding, the retirement system must meet the requirements for funding adequacy, as defined as meeting one or more of the following criteria:

1. A funded ratio of 100 percent;
2. Contribution rates equal to or greater than 100 percent of the Annual Required Contribution; or
3. A plan has been approved by the governing body to achieve or one or both of these criteria within five years.

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The award may be viewed online at:

<http://wpbppf.com/docs/announcements/2019%20wpb%20ppcc%20award.pdf#zoom=100>

**OPEN DISCUSSION**

None.

**ADJOURNMENT**

Being there was no other business; the meeting was adjourned at 11:10 AM.

Next meeting is scheduled for January 10, 2020 8:30 AM.

A handwritten signature in black ink, appearing to read 'T. Marchese', is written over a light gray rectangular background.

Troy Marchese, Board Secretary