

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

Minutes

**July 10, 2020
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on Friday, July 10, 2020, at 8:30 AM. Due to Executive Order 20-69 Signed by RON DESANTIS, Governor of Florida on March 20, 2020, the Board of Trustees conducted the meeting live¹ & remotely.

Present: Jonathan Frost, Board Chairman; Troy Marchese, Board Secretary; Craig Kahle, Board Trustee, (Attended In-Person); Dana Fragakis, Board Trustee and Joseph Ahern, Board Trustee (Attended Remotely).

Also present: Jeff Burns & Nick Rojo, Affiliated Development; Louis Penque, Retired Member; Dusten Campbell, Active Member; and Dave Williams, Plan Administrator (Attended In-Person).

Ed Korsinsky, Greg Nespole & Doug Borths, Levi & Korsinsky LLP; Amanda Rekemeier & Hannah Ross, Bernstein Litowitz Berger & Grossmann; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Michael Williams, Administrative Plan Assistant, (Attended Remote).

PUBLIC COMMENT

Mr. Williams noted on the public meeting notice the following language was posted. "Any member of the public may submit questions or comments to be read during the public comment section of the meeting to michaelw@wpbppf.com by July 9, 2020".

Mr. Marchese read an endorsement from Chief of Police Frank Adderley regarding Affiliated Development.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were changes required to the minutes of June 12, 2020. Comments noted accordingly. Mrs. Fragakis made the motion to approve the minutes as noted, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Mrs. Jensen updated summary plan description after additional input was received from Mr. Williams. Mr. Marchese made a motion to approve as presented, which was seconded by Mrs. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen presented an updated service agreement with Labaton Sucharow, an existing service provider. Mrs. Fragakis made a motion to approve as presented, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen cited she was working with the city with regard to a subrogation matter for Mr. Vincent Morton, a disability recipient.

¹ In the main conference room of the Ernest George Building of the Palm Beach County Police Benevolent Association.

West Palm Beach Police Pension Fund – Minutes

July 10, 2020

Page 2 of 4

INVESTMENT PRESENTATION

Affiliated Housing Impact Fund LP Presentation – Affiliated Development.

Mr. Jeff Burns & Mr. Nick Rojo of Affiliated Development made their presentation to the Board to consider a real estate investment in local workforce housing. Affiliated Development strives to create dynamic environments that revitalize downtown metro areas and offer Class-A living at rents well below market. The Company brings this vision to life by engaging in public-private partnerships and utilizing funding incentives to provide superior product at a price point currently unachievable in downtown South Florida markets.

This is especially impactful given that over 60% of renters in the South Florida area are cost-burdened (paying more than 30% of income on rent). Most South Florida residents are forced to either allocate too much income toward rent, live with one or more roommates, or move away from major employment centers in order to find reasonably priced housing.

Affiliated selects project sites located near employment centers, transportation nodes, and other city amenities, and works to develop engaging mixed-use multifamily projects at attainable rents the local workforce can afford.

Affiliated Core Strategy: Members of the local workforce - teachers, nurses, first responders, hospitality employees, and small business owners who form the foundation of the communities they work in - deserve to live in convenient metro locations without having to sacrifice housing quality or face long commute times.

Affiliated engages the local community and has provided first look benefits to teachers, first responders and municipal employees. We aspire to provide Class A, yet attainable, housing to the local workforce to create a “Live Where You Serve” dynamic. Many in the workforce are forced to contend with long commute times. Commute times have gradually increased over time. According to FDOT, the average one-way commute time in Florida is 27.4 minutes and 17.4% of commuters made one-way trips of 45 minutes or longer. Many middle-class employees have been forced to commute into the communities they serve.

The representatives spoke about the proposed project within the City of West Palm Beach. They also cited their track record in other local projects in the tri-county area.

Fund Terms:

- **Fund:** Affiliated Housing Impact Fund LP
- **Target Size:** \$100M
- **GP Commitment:** 5% (up to \$5M)
- **Preferred Return:** 7% (compounded annually)
- **Carried Interest:** 20% of net profits
- **Management Fees:** 150 bps per annum

Mr. McCann reflected that the research team at AndCo would not recommend the investment. Although the company has a long track record, until recently they do not have any public pension plan investors. Mr. McCann cited another client recently committed to a 5-million-dollar investment. The Affiliate representatives advised that they are still in touch with the AndCo research team and responding to open questions.

By consensus the Board wanted to take additional time to review the report presented and considered touring existing project(s) by Affiliate. The Board also asked that the representatives send Mrs. Jensen appraisal information. No further action taken. Board will reconvene on the matter at the August 14, 2020 meeting.

West Palm Beach Police Pension Fund – Minutes

July 10, 2020

Page 3 of 4

INVESTMENT PRESENTATION – Con't

AndCo Consulting – Mr. John McCann

Mr. McCann presented a flash report for the June 30, 2020 quarter. The estimated rate of return was valued at 11-12%. It was a great quarter and the Plan rebounded nicely according to Mr. McCann. The fiscal year to date return was valued at +2-3%.

A brief Real Estate update was also provided by Mr. McCann.

OLD BUSINESS

SECURITY MONITORING SERVICES PRESENTATION

Bernstein Litowitz Berger & Grossmann and Levi Korsinsky

Mr. Ed Korsinsky, Mr. Greg Nespole & Mr. Doug Borths from Levi & Korsinsky LLP and Ms. Amanda Rekemeier & Ms. Hannah Ross from Bernstein Litowitz Berger & Grossmann appeared before the Board to offer their firm's security litigation services to the Plan.

Each firm outlined their expertise in the field of security litigation. They outlined how their philosophy matches the needs of their clients. They ensure that our clients receive the best advice regarding their potential claim—including when not to engage in litigation. Evaluating and prosecuting corporate governance matters and reforming business practices was also a matter of the presentations. There is no fee charged to the Plan for these professional services.

At the conclusion of the presentation, the Board felt it would be beneficial to have additional monitoring services in place to protect the Plan. Mr. Marchese made a motion to engage with Bernstein Litowitz Berger & Grossmann and Levi Korsinsky for Security Monitoring Services. This motion was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

The meeting was recessed from 10:24 AM and reconvened at 10:30 AM.

ADMINISTRATOR'S REPORT

Mr. Williams cited a city inquiry was received relative to the impact statement of March 12, 2020. The cited report that was posted on-line was provided to city officials:

<http://www.wpbppf.com/docs/announcements/West%20Palm%20Beach%20Police%20Study%203-12-2020.pdf#zoom=100>

Mr. Williams stated that GRS completed the Chapter 112.664, F.S. Compliance Report in connection with the September 30, 2019 Funding Actuarial Valuation Report and the Plan's Financial Reporting for the Year Ending September 30, 2019. Trustees were encouraged to review on-line at:

http://www.wpbppf.com/docs_state/Chapter112/West%20Palm%20Beach%20Police%20Chapter%20112.664%20Compliance%20Report%202019.pdf#zoom=100

APPROVAL OF DISTRIBUTIONS

New Warrants were presented for review. Warrants approved at the last meeting were presented to the Board in spreadsheet format by Mr. Williams. After Mr. Williams provided a detailed report, Mr. Marchese made the motion to approve the report, which was seconded by Mrs. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

OPEN DISCUSSION

No open discussion ensued.

West Palm Beach Police Pension Fund – Minutes

July 10, 2020

Page 4 of 4

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 10:55 AM.

Next meeting is scheduled for August 14, 2020 at 8:30 AM²



Troy Marchese, Board Secretary

² Note: The August 14, 2020 meeting will be held live in-person and remote.