

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

Minutes

**November 13, 2020
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on November 13, 2020 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 Fragakis, Board Trustee & Joseph Ahern Board Trustee.

Also present: John Dickie & Kieran McGlynn, Aberdeen Standard; Julia Bernier & Meena Gandhi, JPMorgan; John McCann, AndCo Consulting; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson & Michael Williams¹; Dave Williams, Plan Administrator².

PUBLIC COMMENT

No Public Input Received.

APPROVAL OF THE MINUTES

After providing his comments that were duly noted, Mr. Frost asked if there were any additional changes required to the minutes of October 11, 2020. Ms. Marchese made the motion to approve the minutes cited, 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.

INVESTMENT PRESENTATION – Aberdeen Standard – Private Equity

Mr. John Dickie & Kieran McGlynn appeared before the board to discuss Aberdeen Private Equity VII Fund and the new Fund IX. Prior to doing so, Mrs. Jensen advised the Fund IX documents were prepared with the exception of the Florida law provision of the contract. Legal representatives from Aberdeen Standard would only agree to Delaware law. After input from the Board, Mr. Marchese made a motion to accept the Delaware law provision for the Fund IX contract. The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

It was reported the Fund VII is valued at \$339 Million. The net internal rate of return (IRR) was valued at 26.2%, in comparison to the S&P 500 benchmark of 9.18% for the same time period. Manager performance was reviewed. The representatives highlighted primary commitments and recent co-investments.

Fund IX were summarized with our Fund receiving a first closer discount of 10 bps.

¹ The foregoing participants attended remotely.

² Attended in-person.

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INVESTMENT PRESENTATION – JPMorgan – Private Equity

Ms. Julia Bernier & Ms. Meena Gandhi, JPMorgan appeared before the Board to discuss the JP Morgan Global Private Equity Fund VII & Fund IX (PEG). The PEG team was described as having Diverse backgrounds and skill sets: women and/or minorities comprising ~60% of team members. Capital account summary was provided to the Board. Ms. Gandhi outlined the Fund characteristics and commitments. Rigorous COVID-19 impact analysis along with continuous client outreach was cited. The net internal rate of return (IRR) was valued at 7%, in comparison to the MSCI World benchmark of 1.0% for the same time period. Fund IX commitments were noted by partnership investments & direct investments. 52% being invested with the United States, 18% in Europe, 12% in Asia and the balance in the rest of the World.

INVESTMENT PRESENTATION – AndCo Consulting

Mr. John McCann appeared before the Board and presented the September 30, 2020 investment report.

As of September 30, 2020, the total assets were valued at \$395,638,914.00. For the quarter, the total fund returned 4.41%³ vs. 4.71% compared to the target index. The public funds median return was valued at 5.27% for the quarter.

On a fiscal year basis, the total fund returned 6.73%⁴ vs. 6.45% compared to the target index. The median return for all public funds was reported to be 8.17%. On a three and five-year basis, the Plan returned 6.24% & 8.04% respectively. With the global pandemic and investment losses earlier in the year, overall Mr. McCann was pleased with the results.

A manager breakdown was provided by Mr. McCann. Wellington results continue to disappoint. Mr. McCann will put the manager on notice. Mrs. Fragakis stated that Wellington has been losing ground during her inception on the Board. Mr. Frost agreed but felt it would be best to hope for a rebound and consider termination after the bounce.

Mr. McCann reviewed the manager allocations. He suggested transferring 16 million dollars to Garcia Hamilton to align their allocation. Mr. McCann suggested moving 8 million dollars from the Rhumblin S&P 500 Index Fund and 8 million dollars from the Eagle Asset Account to the Garcia Hamilton Account. Mr. Ahern placed the foregoing in a form of a motion, providing Mr. Williams the authority to act accordingly. The motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

In a spirit of transparency, the Board of Trustees have posted the entire quarterly investment report on-line and it may be viewed at:

wpbppf.com/docs/investments/WPBPPF_Report_2020_Q3_revised.pdf#zoom=100

Please continue to next page.

³ Net Basis.

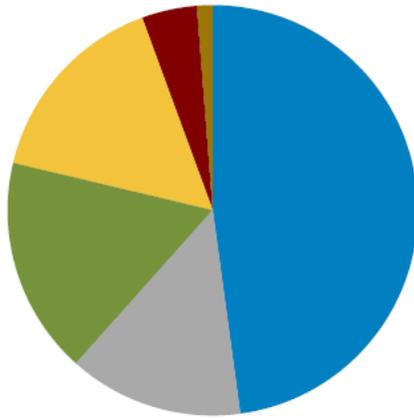
⁴ Net Basis.

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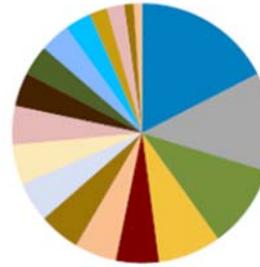
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Asset Allocation By Segment as of September 30, 2020 : \$395,638,914



Allocation	Market Value	Allocation
Domestic Equity	189,333,190	47.9
International Equity	54,395,439	13.7
Domestic Fixed Income	67,653,983	17.1
Real Estate	62,070,295	15.7
Private Equity	17,278,425	4.4
Cash Equivalent	4,907,582	1.2

Asset Allocation By Manager as of September 30, 2020 : \$395,638,914



Allocation	Market Value	Allocation
Garcia Hamilton Fixed Income	69,049,848	17.5
RhumbLine Equity S&P 500	48,513,173	12.3
Intercontinental	41,057,294	10.4
Eagle Equity	30,995,651	7.8
J.P. Morgan	21,013,001	5.3
Champlain MC Equity	20,560,197	5.2
RhumbLine International Equity	20,378,046	5.2
SSGA Small-Mid Cap Equity (SSMKX)	19,799,443	5.0
Anchor Equity	19,574,860	4.9
Vanguard Intl Equity (VTRIX)	19,138,762	4.8
RhumbLine S&P Mid Cap 400	16,665,189	4.2
Invesco Emerging Markets Equity	14,877,732	3.8
Wellington	14,703,729	3.7
RhumbLine R1000 Growth	13,054,073	3.3
Aberdeen U.S. P.E. VII	8,728,064	2.2
RhumbLine R1000 Value	8,575,352	2.2
JP Morgan Global P.E. VII	4,690,361	1.2
EnTrust Global WPB Special Opportunities Fund	3,860,000	1.0
R&D Cash	375,023	0.1
Mutual Fund Cash	1,416	0.0

ATTORNEY'S REPORT

- Mrs. Jensen outlined the advisory position available on the Board for the Affiliated Housing Impact Fund. The Trustees felt it would be prudent to have a Board Member represent the West Palm Beach Police Pension Fund. The Trustees felt the appointment should be for at least a one-year period. Mr. Marchese offered to be the first representative. Upon the completion of the round robin discussion, Mrs. Fragakis made the motion to participate on the Affiliated Housing Impact Fund Advisory Board and appointed Mr. Marchese to the first term. Mr. Ahern seconded the motion. All Trustees voted yes, and the motion was passed 4-0.
- Mrs. Jensen distributed a draft of a press release from Affiliated Housing Impact Fund naming the West Palm Beach Police Fund as an investor. Mrs. Jensen cited the principals were seeking permission to use the Fund name within the release. The Board had no opposition to the release, simply cited that the release should include this Fund's correct name therein⁵.

ADMINISTRATOR'S REPORT

- Fieldwork for the Audit currently scheduled.
- Mr. Williams noted that he updated the Drop and Share plan administrative fee for fiscal year 2020/2021. Mr. Williams applauded the efforts undertaken by the Trustees to reduce plan expenses, as the fees were reduced from 0.09% to 0.08%.
- Mr. Williams pointed out that the October 13, 2020 GRS presentation⁶ to the city commission was included in the Trustee packet. Mr. Frost complimented Mr. Amrose for his efforts. Mr. Frost advised that the Mayor asked about minority managers and Garcia Hamilton was cited for their diversity. Mr. Frost cited Mr. Garcia's efforts⁷. The Board also noted the diversity of JPMorgan previously highlighted. Mr. Frost also asked Mr. McCann to research the other managers as the issue may arise again.

⁵ <https://www.prnewswire.com/news-releases/affiliated-development-launches-125m-impact-housing-fund-301180076.html>

⁶ [PowerPoint Presentation \(wbpmpf.com\)](#)

⁷ [Gilbert A. Garcia Honored at SEO's 12th Annual Awards Dinner \(garciahiltonassociates.com\)](#)

- Mr. Williams congratulated and presented to the Board of Trustees the 2020 Public Pension Coordinating Council (PPCC) Recognition Award for Administration and Funding⁸. The Plan sponsor, the City of West Palm Beach (Mayor, Commission & Staff) were also recognized. 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.

NEW BUSINESS

Share Allocation and Forfeitures: Mr. Williams reviewed the share allocation and forfeitures for 2020. \$1,611,609.44 was received from the State of Florida and allocated accordingly. \$126,027.04 was identified for forfeiture and reallocated to the membership. After the Board reviewed the reports, a motion was made by Mr. Marchese to approve both allocations. The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

OPEN DISCUSSION

Mr. Williams advised that the Palm Beach County PBA may consider ending the pension fund's office lease. This is as a result of the change of bargaining units, which was undertaken by the active members of the police department. Mr. Williams is hopeful for the member's sake this would not take place but ensured a seamless transition should that be the direction the PBA wishes to pursue. Mr. Williams thanked the Palm Beach PBA for permitting the Board to lease an office in order to effectively and efficiently serve the retired and active membership of the Fund. The Board echoed Mr. Williams sentiment.

The topic of labor negotiations was raised, and it was noted that there was no change in the city's position to the new union. Mr. Marchese feared that lack of achievement may result in retention issues of personnel.

⁸ [WPBPPF PPCC 2020.pub](#)

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ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:00 AM.

Next meeting is scheduled for December 11, 2020 8:30 AM.

A handwritten signature in black ink, appearing to read 'T. Marchese', is enclosed in a thin black rectangular border.

Troy Marchese, Board Secretary