

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

Minutes

**January 08, 2021
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on January 08, 2021 at 8:33 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; Dana Fragakis, Board Trustee; Craig Kahle, Board Trustee and Joseph Ahern¹, Board Trustee.

Also present: Dustin Campbell & Mark Moriello – Active Members; Karen Malcolm², City of West Palm Beach; Member; Peter Palandjian³ & Peter Hapgood, Intercontinental Real Estate; Mina Zorrilla⁴ & Rebekah Brown, JP Morgan Asset Management; Bonni Jensen⁵, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator and Michael Williams⁶, Plan Administrative Assistant.

PUBLIC COMMENT

No Comments

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 December 11, 2020. Mr. Kahle made the motion to approve the minutes cited, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

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. After Mr. Williams detailed the report, Mrs. Fragakis made the motion to approve the report, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

E-Verify: Mrs. Jensen outlined plan requirements for existing and new service providers. Subsequent to the meeting the following documents were released accordingly⁷.

Mrs. Jensen reviewed an insurance document from Saltmarsh, Cleveland & Gund.

Madoff latest recovery of \$24,789.22 was discussed. The Board was pleased with the efforts of the Court Appointed Administrator.

¹ Attended Remotely.

² Attended Remotely.

³ Intercontinental Real Estate - Attended Remotely.

⁴ JP Morgan Asset Management – Attended Remotely.

⁵ Attended Remotely.

⁶ Attended Remotely.

⁷ <http://www.wpbppf.com/docs/announcements/WPB%20Police%20E-Verify%20Notice%20to%20All%20Service%20Providers%2001-14-2021.pdf#zoom=100>

ADMINISTRATOR’S REPORT

No formal report presented.

Mr. Williams noted the impact study approved on December 11, 2020 was sent to the actuary on December 17, 2020 when the formal request was received from the attorney for the union.

INVESTMENT REPORT – JP MORGAN

Ms. Mina Zorrilla & Ms. Rebekah Brown, JP Morgan came before the Board to review the Special Situation Property Fund. The representative advised that our investment in the Fund was valued at \$21,013,001 as of September 30, 2020. For the quarter ending September 30, 2020, the gross rate of return for the account was 0.7%, compared to the ODCE Value which returned 0.5%. On a one-year basis, the return was valued at 2.8% vs. the index cited which returned 1.4%. On the longer term (inception date of April 1, 2014 – September 30, 2020), the Special Situation Property Fund rate of return was valued at 11.0% compared to the benchmark of 8.3%. Ms. Brown outlined recent acquisitions & dispositions, the geographical location, the property type, the acquisition price and the investment rationale.

The following was reported as we look ahead:

- Maintain strong balance sheet in order to fund existing projects and provide investor liquidity.
- Focus on completing current construction projects and leasing assets that recently delivered.
- Work closely with property managers to maximize rent collections and fund cash flow.

INVESTMENT REPORT – INTERCONTINENTAL

Mr. Peter Hapgood was joined by Mr. Peter Palandjian, CEO & Chairman of Intercontinental Real Estate. The net asset value was reported to be \$41,057,294.00 as of September 30, 2020. It was reported that the portfolio exceeded the benchmark return on all timelines. The gross rate of return for the quarter ending September 30, 2020 was reported at 0.90%, vs. 0.48% for the NCREIF ODCE. The one-year return was valued at 4.41%, vs. 1.39% for the cited benchmark. On an inception date⁸ basis, the return was valued at 11.88% vs. the benchmark of 10.58%.

Mr. Peter Palandjian noted the following investment objectives: Preserve and protect investor’s capital. Provide potential for capital appreciation. Generate a current return on invested capital of approximately 5% per annum on a gross basis. Provide an average annual total return of approximately 8- 10% per annum on a gross basis.

Other items reviewed:

- Likely market dislocations due to COVID-19 2020.
- Pricing discovery on a macro level challenge the commercial real estate market for the near and mid-term.
- Hospitality and Retail feeling the most impact.
- All commercial real estate to experience stress, to lag the general economy.
- Great buying opportunities to present coming out of the pandemic.

⁸ April 2, 2010.

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INVESTMENT REPORT – ANDCO CONSULTING

Mr. McCann provided a flash report for the quarter ending December 31, 2020. The estimated return was valued at 6% for the quarter.

Mr. McCann was asked about Wellington, in which he advised he will be prepared to discuss when the quarterly report is complete. Mr. McCann was asked to bring a search to the meeting if warranted for Wellington.

Mr. McCann reported that the Fund had 22 investment portfolios and felt the Fund was well diversified.

OPEN DISCUSSION

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 9:56 AM.

Next meeting is scheduled for February 12, 2021 at 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