

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

**Minutes**

**January 14, 2022  
8:30 AM**

**CALL THE MEETING TO ORDER**

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on January 14, 2022 at 8:31 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; Sean Williams, Board Trustee and Joseph Ahern, Board Trustee.

Also present: Joshua Martin & Spouse; <sup>1</sup>Paul Nassar<sup>2</sup>, CFO & COO & <sup>3</sup>Peter Hapgood, Intercontinental Real Estate; <sup>4</sup>Kate Hurley & <sup>5</sup>Rebekah Brown, JP Morgan Asset Management; <sup>6</sup>Brendon Vavrica, AndCo Consulting; <sup>7</sup>Jeffrey Amrose, GRS Consulting; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator and Michael Williams, Plan Administrative Assistant.

**PUBLIC COMMENT**

No Comments

**APPROVAL OF THE MINUTES**

Mr. Frost asked if there were any changes required to the minutes of December 10, 2021. Mr. Marchese made the motion to approve the minutes as presented, which was seconded by Mr. S. Williams. All Trustees voted yes, and the motion was passed 5-0.

**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, Mr. Marchese made the motion to approve the report, which was seconded by Mr. Ahern. Motion was passed 4-0-1 (abstention by Mrs. Fragakis, Form 8 filed accordingly).

**INVESTMENT REPORT – JP MORGAN**

Ms. Kate Hurley & 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 \$24,467,675.00 as of September 30, 2021. For the quarter ending September 30, 2021, the gross rate of return for the account was a stellar 8.4%, compared to the ODCE Value which returned 6.6%. On a one-year basis, the return was valued at 18.3% vs. the index cited which returned 14.6%. On the longer term (inception date of April 1, 2014 – September 30, 2021), the Special Situation Property Fund rate of return was valued at 12.0% compared to the benchmark of 9.2%.

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<sup>1</sup> Attended Remotely.

<sup>2</sup> <https://www.intercontinental.net/team/>

<sup>3</sup> Attended Remotely.

<sup>4</sup> Attended Remotely.

<sup>5</sup> Attended Remotely.

<sup>6</sup> Attended Remotely.

<sup>7</sup> Attended Remotely.

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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:

- Increasing infill industrial exposure in Huntington Beach, California with three-phased development.
- Focus on multifamily development in suburban locations & single family rental development in high growth markets.
- Focus on creative office in unique submarkets, targeting rapidly growing technology and innovation tenants.
- Increasing life science exposure through development of 100 Forge and 500 Forge in Arsenal Yards, Watertown, MA.

It was reported that JPMorgan is building on their existing investments, they are harnessing their expertise in business, policy, and philanthropy and have committed \$30 billion over the next five years to drive an inclusive recovery, support employees and break down barriers of systemic racism.

### **INVESTMENT REPORT – INTERCONTINENTAL**

Mr. Peter Hapgood was joined by Mr. Paul Nassar, COO & CFO of Intercontinental Real Estate. It was reported that Mr. Hapgood would be retiring, and this would be his final meeting. Mr. Nassar ensures a seamless transition with the yet to be named client services representative.

The net asset value was reported to be \$46,519,663.00 as of September 30, 2021. The gross rate of return for the quarter ending September 30, 2021 was reported at 5.88%, vs. 6.63% for the NCREIF ODCE. The one-year return was valued at 13.87%, vs. 14.63% for the cited benchmark. On an inception date<sup>8</sup> basis, the return was valued at 12.06% vs. the benchmark of 10.93%.

Mr. Nassar 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.

### **INVESTMENT REPORT – ANDCO CONSULTING**

Mr. Vavrica reported that the Florida Legislature is considering a Bill to exclude China Holdings from public pension plans. He will continue to monitor.

Mr. Frost inquired as to the status of Affiliated Housing being engaged by the WPB Fire Pension Board. Mr. Vavrica replied matter is in their queue but has taken no action to date.

### **INVESTMENT ASSUMPTIONS – GRS CONSULTING**

Mr. Amrose reflected that based on the returns of the plan for fiscal year ending September 30, 2021, this would give the Board an opportunity to reduce the assumed rate of return without impacting the city's cost. After review and discussion, Mr. S. Williams made a motion to reduce the assumption to 7.0% with further alternatives for the Board to consider. The motion was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

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<sup>8</sup> April 2, 2010.

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Meeting recessed 9:43 AM & reconvened at 9:49 AM

**NEW BUSINESS**

**INFORMAL DISABILITY HEARING – Joshua Martin**

All Trustees were provided the entire file for Mr. Martin's claim to review in advance of this meeting. The Claimant, Mr. Martin was notified of this Hearing and was present along with his spouse.

Mrs. Jensen presented a detailed report of Mr. Martin's injuries and medical condition that gave rise to his claim for disability.

Mrs. Jensen noted a suggestion from Dr. Jeffrey Worth to have Mr. Martin undergo a function capacity examination. The Board by consensus felt that further testing would only show limitations (which has clearly been established), and anything less than a fully able body would not be acceptable to the City of West Palm Beach.

Mr. Martin also had an opportunity to address the Board of Trustees about this matter.

After review and discussion by the Board, Mr. Ahern made a motion to approve the disability of Mr. Martin as he is unable to perform the duties of a police officer with the effective date of Mr. Martin's date of resignation. Seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

Mr. Ahern made the motion that Mr. Martin's condition will remain total and permanent. Seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

Mr. Ahern made the motion that the condition arose from his duty as a police officer, therefore it was service connected. Seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

**INFORMAL DISABILITY HEARING – Greg Simonian**

All Trustees were provided the entire file for Mr. Simonian's claim to review in advance of this meeting. The Claimant, Mr. Simonian was notified of this Hearing.

Mrs. Jensen presented a detailed report of Mr. Simonian's injuries and medical condition that gave rise to his claim for disability.

During the presentation Mrs. Jensen noted that the City of West Palm Beach has terminated Mr. Simonian as a result of this claim and his inability to do the job of a police officer.

After review and discussion by the Board, Mr. Marchese made a motion to approve the disability of Mr. Simonian as he is unable to perform the duties of a police officer. Seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

Mr. Marchese made the motion that Mr. Simonian's condition will remain total and permanent. Seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

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Mr. Marchese made the motion that the condition arose from his duty as a police officer, therefore it was service connected. Seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

**STAFF REVIEW**

Mr. Williams reflected that he has never sought a fee increase, however does ask the Board to consider keeping up with the cost of living. For the period ending October 2021, the cost of living was valued at 6.22%. That equates to an adjustment of \$523.61 per month. The Board discussed and agreed to the adjustment request. Performance accolades were passed along to Mr. Williams and his staff. Motion by Mr. Ahern to apply a 6.22% cost of living adjustment for PPA, Inc. effective October 1, 2021. Motion seconded by Mr. S. Williams. All Trustees voted yes, and the motion was passed 5-0. Mr. Williams thanked the Board for their consideration.

**ATTORNEY'S REPORT**

Mrs. Jensen advised an updated special tax notice has been provided to the plan administrator.

Mrs. Jensen cited that the special act has been assigned as HB 929.

Mrs. Jensen inquired about CareDX that the Board discussed at the December meeting. By consensus the Board elected not to participate in the case, but to thank Saxena & White for their due diligence.

**ADMINISTRATOR'S REPORT**

No formal report presented.

**OPEN DISCUSSION**

None.

**ADJOURNMENT**

Being there was no other business; the meeting was adjourned by motion 10:20 AM.

Next meeting is scheduled for February 11, 2022 at 8:30 AM



Troy Marchese, Board Secretary