

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

Minutes

**March 11, 2022
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on March 11, 2022 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 Secretary; Dana Fragakis, Board Trustee; Joseph Ahern, Board Trustee and Sean Williams¹, Board Trustee.

Also present: Ernest George, Retire Member; Dustin Campbell, Active Member; William Rice² & Jon Boles, Anchor Capital; Jeffrey Amrose³, Board Actuary - GRS Retirement Consultants; Brendon Vavrica, AndCo Consulting; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator & Michael Williams, Administrative Plan Assistant.

ACTUARIAL VALUATION PRESENTATION – SEPTEMBER 30, 2021

Mr. Jeffrey Amrose presented the draft results of the September 30, 2021 Annual Actuarial Valuation of the West Palm Beach Police Pension Fund. Upon doing so, a long discussion ensued about the supplemental distribution interpretation that was raised by Mr. George. That discussion resulted in the Board tabling the report by consensus and directing Mr. Amrose to consult with the prior Board Actuary (Mr. Brad Armstrong) about the historical interpretation of the provision.

Mr. Amrose submitted the annual employee benefit statements as of October 1, 2021 to Mr. D. Williams, who will deliver to the active members as soon as possible.

INVESTMENT REPORT

ANCHOR CAPITAL ADVISORS – Mid Cap Value

Mr. Boles and Mr. Rice presented an update to the portfolio, but before doing so, reaffirmed to the Board about the stability of the firm and its commitment to our portfolio. It was noted that the Anchor Capital has been investing this portfolio nearly 20 years.

The portfolio at \$26,575,836.63 as of December 31, 2021. For the quarter ending December 31, 2021, the portfolio returned 7.53%. On a longer term of 3 & 5 years, the portfolio returned 17.43% & 12.16% respectively. Dating back to the inception of the portfolio (May 12, 2003), the portfolio the benchmark is in line with the benchmark on a net basis.

Holds and sales were detailed as was the performance relative to the passive market. The theme presented was the risk reward relative to the passive market. Standard deviation, Alpha and Beta all benefited the portfolio.

¹ Departed meeting at 10:28 AM.

² <https://anchorcapital.com/team/william-p-rice-jr-2/>

³ Attended meeting remotely.

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ANDCO – INVESTMENT CONSULTANT

Mr. Vavrica presented a flash report that essentially showed the portfolio was flat for the fiscal year to date through February 28, 2022.

Mr. Vavrica also presented an asset allocation study which included a direct lending component. Mr. Frost asked Mr. Vavrica for guidance on this asset relative to other hedge funds on board and in the pipeline. Mr. Vavrica supported an allocation in this asset class but warned the Board it is a long-term commitment. After further discussion, Mr. Vavrica was directed by consensus to prepare a shortlist report for the Board to consider at the next meeting⁴.

Mr. Vavrica provided comments related to the Russian/Ukraine invasion and its affect on the international markets. It was noted that our portfolio is fairly limited in that region.

ATTORNEY'S REPORT

Mrs. Jensen cited the special act was approved by the House and Senate. It awaits the signature of Governor DeSantis. No other pension legislation was considered by the state this session. Mr. Marchese reported that the city will not grandfather current DROP active members in the captain's collective bargaining agreement. It was noted that lack of action conflicts with the legal opinion received on June 4, 2021⁵.

Mrs. Jensen presented the Taurus Fund II documents for execution.

Mr. Jensen announced her office finally received medical reports relative to Mr. Testa. Mrs. Jensen indicated that Dr. Zahn will conduct the medical review to determine causation and the nexus to employment. Mrs. Jensen hopes to provide a report at the next meeting.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of February 11, 2022. Mrs. Fragakis made the motion to approve the minutes as presented, which was seconded by Mr. Ahern. 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 all items except for line item 6, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

Mr. Marchese then made the motion to approve line item 6, which was seconded by Mr. Ahern. Motion was passed 4-0-1 (abstention by Mrs. Fragakis, Form 8 filed accordingly).

ADMINISTRATOR'S REPORT

No formal report provided⁶.

⁴ April 8, 2022.

⁵ http://www.wpbppf.com/docs/announcements/memo_ImprovementsInPensionBenefits_employedDropParticipants_20210604.PDF#zoom=100

⁶ Law 360 article distributed to the Board.

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OPEN DISCUSSION

No discussion ensued.

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 10:53 AM.

Next meeting is scheduled for April 8, 2022 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