

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

**Minutes**

**April 12, 2024  
8:30 AM**

**CALL THE MEETING TO ORDER**

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on April 12, 2024, 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; Josph Ahern, Board Trustee; Sean Williams, Board Trustee.

Also present: Dustin Campbell & Jordon Foe, Active Members; DJ Taylor<sup>1</sup> - C F A , C A I A & Casey Cass, Barrow Hanley; Brendon Vavrica, Mariner Institutional; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator & Michael Williams, Assistant to the Plan Administrator.

**PUBLIC COMMENTS**

None.

**APPROVAL OF THE MINUTES**

After providing his input which was noted, Mr. Frost asked if there were any additional changes required to the minutes of March 08, 2024. Mr. Ahern made the motion to approve the minutes, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

**INFORMAL DISABILITY HEARING – Ronald McGinley**

Mrs. Jensen advised that this member was not terminated for medical reason(s), not for reason(s) related to his PTSD Claim of January 20, 2019. She reviewed the report of Dr. White, who conducted the (IME) independent medical examination<sup>2</sup>. At the conclusion of the report, the Board felt by consensus that additional information was needed for them to make a determination. Mrs. Jensen will pursue the matter with Dr. White. Matter Tabled.

**ATTORNEY’S REPORT**

Mrs. Jensen advised that a Joint Declaration<sup>3</sup> was filed in the Xponential Fitness, Inc. Matter.

**INVESTMENT REPORT - Barrow Hanley – Small Cap Value**

Mr. DJ Taylor & Mr. Clayton Johnston, Barrow Hanley presented a portfolio update to the Board of Trustees. It was reported that Mr. McClure was retiring from the firm. This was anticipated and will cause no operational interruption.

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<sup>1</sup> Mr. Taylor joined Barrow Hanley in 2016 as an equity analyst, focusing on small cap stocks. Prior to joining Barrow Hanley, he served as a senior analyst at Value Management Group. Mr. Taylor earned a BA in Mathematics and Economics from Williams College, where he was an NCAA All-American and school record-holder for the Ephs swimming and diving team. He is a member of the CAIA Association and is a CFA charterholder. Joined the firm in 2016 | 11 years' experience.

<sup>2</sup> Trustees had all the records of Mr. McGinley prior to meeting to review independently.

<sup>3</sup> Fort Lauderdale Police & Fire Pension Plan.

## West Palm Beach Police Pension Fund – Minutes

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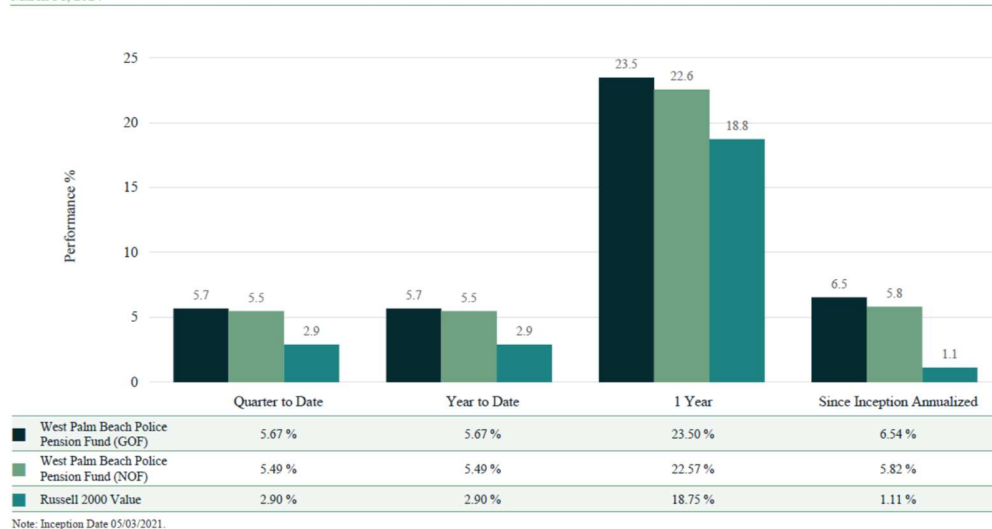
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The representatives cited that their Small Cap Value Equity strategy is designed to exploit inefficiencies in the small cap sector of the market by carefully employing high value added, proprietary research to a universe of small capitalization, low-expectation stocks. This process is directed toward the discovery of companies in which the value of the underlying business is significantly greater than the market price. We refer to this phenomenon as the “value gap”. A “value gap” is typically indicated by below-average P/E ratios (on normalized earnings and relative to the market), above-average free cash flow yields, as well as better than market levels of internal growth and return on capital.

Barrow Hanley’s Small Cap Value strategy clearly outpaced the benchmark from the inception<sup>4</sup> on all reported time periods.

### PERFORMANCE

March 31, 2024



Note: Inception Date 05/03/2021.

Small Cap Commentary provided:

- Investors continue to wrestle with the many secular shifts underway – the era of free money, cheap labor, and low inflation is over.
- Following 2022, one of the worst years in history for the Russell 2000 Value, 2023 fared better still saw the gap widen further between small cap value and other asset classes.
- What is beginning to become apparent is that the outlook for small cap companies, particularly small cap value, appears positioned for a secular bull market for the first time in more than a decade.
- Central bank policies and economic trends are driving de-globalization, tightening labor markets and pushing inflation/rates higher.
- Small cap value should outperform as the marginal change of profitability will be greater---the last decade has “coiled the spring” for real world businesses as demand rises for hard assets and supply remains challenged from years of underinvestment.
- After 2023 did not see one of the most widely forecasted recessions unfold, perhaps 2024 will. However, valuations already largely appear to have priced in a slowing economy, setting the stage for a recovery and re-emergence of small cap leadership.

<sup>4</sup> 05/03/2021 Inception Date.

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**INVESTMENT CONSULTANT - AndCo Consulting**

A flash report for March 31, 2024, prepared by Mr. Vavrica showed the fiscal year return valued at 11.1%.

Mr. Vavrica presented the Consent Agreement to Mariner, LLC. for the Board to consider. Motion by Mr. Marchese to approve and execute. Seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0. Mrs. Jensen advised a formal contract will follow.

**ADMINISTRATOR’S REPORT**

Warrants approved since the last meeting were presented to the Board in spreadsheet format by Mr. D. Williams. A formal administrative report was also provided for consideration. After Mr. D. Williams detailed the report, Mr. Marchese made the motion to approve, which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 4-0.

**OPEN DISCUSSION**

State of the Pension City Commission Workshop session was highlighted by Mr. Frost<sup>5</sup>.

It was noted that the report requested from GRS Consulting was distributed to the Board and Union representative(s) to assist in negotiations.

Noted the passing of Mr. Filipkowski on April 11, 2024.

**ADJOURNMENT**

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

Next meeting is scheduled for May 10, 2024, at 8:30 AM.



Troy Marchese, Board Secretary

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<sup>5</sup> <https://www.youtube.com/watch?v=e3OxGjpZwII>