

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

Minutes

**February 14, 2025
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on February 14, 2025, 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; Dana Fragakis, Board Trustee & Sean Williams, Board Trustee.

Also present: Boykins Family; Chuck Landers, Saltmarsh, Cleaveland & Gund; Brendon Vavrica, Mariner Institutional; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator.

PUBLIC COMMENTS

The Boykins Family came to meet the Board of Trustees to personally thank them for their efforts in assisting the family of this fallen officer during this difficult time. The Board expressed their collective gratitude to Mrs. Boykins for this special visit.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of January 17, 2025. Mrs. Fragakis made the motion to approve the minutes, which was seconded by Mr. Sean Williams. All Trustees voted yes, and the motion was passed 3-0.

PRESENTATION OF FINANCIAL STATEMENTS

Mr. Chuck Landers cited that his firm have audited the accompanying financial statements of the West Palm Beach Police Pension Fund (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Mr. Chuck Landers advised that in their opinion, the accompanying financial statements present fairly, in all material respects, information regarding the fiduciary net position of the Plan as of September 30, 2024 and 2023, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion: We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Responsibilities of Management for the Financial Statements: Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibility: Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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STATEMENTS OF FIDUCIARY NET POSITION SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets:		
Cash	\$ 14,791	\$ 1,552,955
Receivables:		
DROP loans	1,182,964	1,264,623
Interest and dividends	165,543	192,832
Broker-dealers	-	79,509
Other	5,169	-
Total receivables	<u>1,353,676</u>	<u>1,536,964</u>
Prepaid expenses	<u>6,071</u>	<u>8,418</u>
Investments:		
U.S. Government obligations	4,320,380	6,528,052
U.S. Government agency obligations	6,217,808	14,015,573
Corporate bonds	701,151	1,774,310
Domestic stocks	106,114,708	86,468,195
Domestic equity investment funds	215,896,247	178,036,916
International equity investment funds	74,404,300	61,424,426
Fixed income investment funds	23,423,621	18,705,842
Real estate investment funds	55,633,901	61,586,267
Temporary investment funds	8,374,085	8,210,500
Total investments	<u>495,086,201</u>	<u>436,750,081</u>
Total Assets	<u>496,460,739</u>	<u>439,848,418</u>
Liabilities:		
Accounts payable	658,349	452,850
Accounts payable, broker-dealers	<u>41,416</u>	<u>126,543</u>
Total Liabilities	<u>699,765</u>	<u>579,393</u>
Net Position Restricted for Pensions	<u>\$ 495,760,974</u>	<u>\$ 439,269,025</u>

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STATEMENTS OF FIDUCIARY NET POSITION SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Additions:		
Contributions:		
Employer	\$ 5,798,628	\$ 5,657,198
Participants	2,712,131	2,806,195
Buy back	110,403	367,713
DROP	536,307	354,149
415 Rollover	243,977	324,409
Total contributions	<u>9,401,446</u>	<u>9,509,664</u>
Intergovernmental revenue:		
Chapter 185 state excise tax rebate	<u>2,262,213</u>	<u>1,985,387</u>
Investment income:		
Net appreciation in fair value of investments	65,694,968	29,097,067
Interest	1,052,769	1,648,001
Dividends	4,810,602	3,957,536
Class action revenue	28,194	55,118
Total investment income	<u>71,586,533</u>	<u>34,757,722</u>
Less investment expenses	<u>2,115,577</u>	<u>1,595,060</u>
Net investment income	<u>69,470,956</u>	<u>33,162,662</u>
Total additions	<u>81,134,615</u>	<u>44,657,713</u>
Deductions:		
Benefits:		
Age and service	14,163,431	13,839,722
Disability	1,216,271	1,128,828
Share accounts	2,865,299	2,039,683
Supplemental	-	8,730,894
DROP accounts	5,619,022	4,456,991
Refunds of contributions	196,211	78,566
Administrative expenses	582,432	406,647
Total deductions	<u>24,642,666</u>	<u>30,681,331</u>
Net Increase in Net Position	56,491,949	13,976,382
Net Position Restricted for Pensions:		
Beginning of year	<u>439,269,025</u>	<u>425,292,643</u>
End of year	<u>\$ 495,760,974</u>	<u>\$ 439,269,025</u>

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Mr. Landers reflected that he and his staff had full cooperation from management during the audit process. Mr. Landers mentioned the notable accomplishment of the Board for receiving the Public Pension Coordinating Council - Public Pension Standards Award for Funding and Administration 2024. Finally, Mr. Landers cited how reasonable the administrative expenses were and applauded the Board's efforts.

After review and discussion, Mrs. Jensen cited an acceptance and approval would be in order. Mrs. Fragakis made a motion to accept and approve the audit as presented. The motion was seconded by Mr. Sean Williams. All Trustees voted yes, and the motion was passed 3-0.

Mrs. Fragakis also made a motion to approve the management letter for execution once reviewed and approved by Mrs. Jensen. Mr. Sean Williams seconded that motion as well. All Trustees voted yes, and the motion was passed 3-0.

The Board thanked Mr. Landers for his assistance and that of his staff for this timely presentation.

In a spirit of transparency, the entire report may be viewed at:

<http://www.wpbppf.com/modules/stateDocs/reports.asp>

ATTORNEY'S REPORT

Boykins Final Order: Mrs. Jensen presented the final order relating to the Boykins Matter. After review and consideration, Mr. Sean Williams made the motion to accept, authorize execution and delivery of the Order as presented. Mrs. Fragakis seconded that motion. All Trustees voted yes, and the motion was passed 3-0.

Lafrance Final Order: Mrs. Jensen presented the final order relating to the Lafrance Matter. After review and consideration, Mrs. Fragakis made the motion to accept, authorize execution and delivery of the Order as presented. Mr. Sean Williams seconded that motion. All Trustees voted yes, and the motion was passed 3-0.

New Withholding Requirements: Mrs. Jensen cited the Internal Revenue Service ("IRS") issued a final regulation regarding income tax withholding rules for retirement plan payments. Click the link to learn further:

http://www.wpbppf.com/docs/announcements/BoardMemo_NewWithholdingRules_4884-4302-2067_2_4869-9993-4205_1.pdf#zoom=100

Clark Matter – Update: Disability applicant IME is scheduled, further to follow.

INVESTMENT CONSULTANT – Mariner Institutional

Mr. Vavrica presented a flash report for January 31, 2025 showing the rate of return being estimated at 1.5% for the fiscal year. No rebalancing recommended at this juncture.

Mr. Vavrica presented the December 31, 2024 investment report, the portfolio was valued at \$493,128,824.00. The total fund quarterly return was essentially flat at -0.49%. That quarterly return outpaced the public funds benchmark of -1.08%. Longer term results were also outlined on a 1, 3 and 5-year basis 8.75%, 2.40% and 7.16% respectively.

In a continued spirit of transparency, the entire investment report may be viewed at:

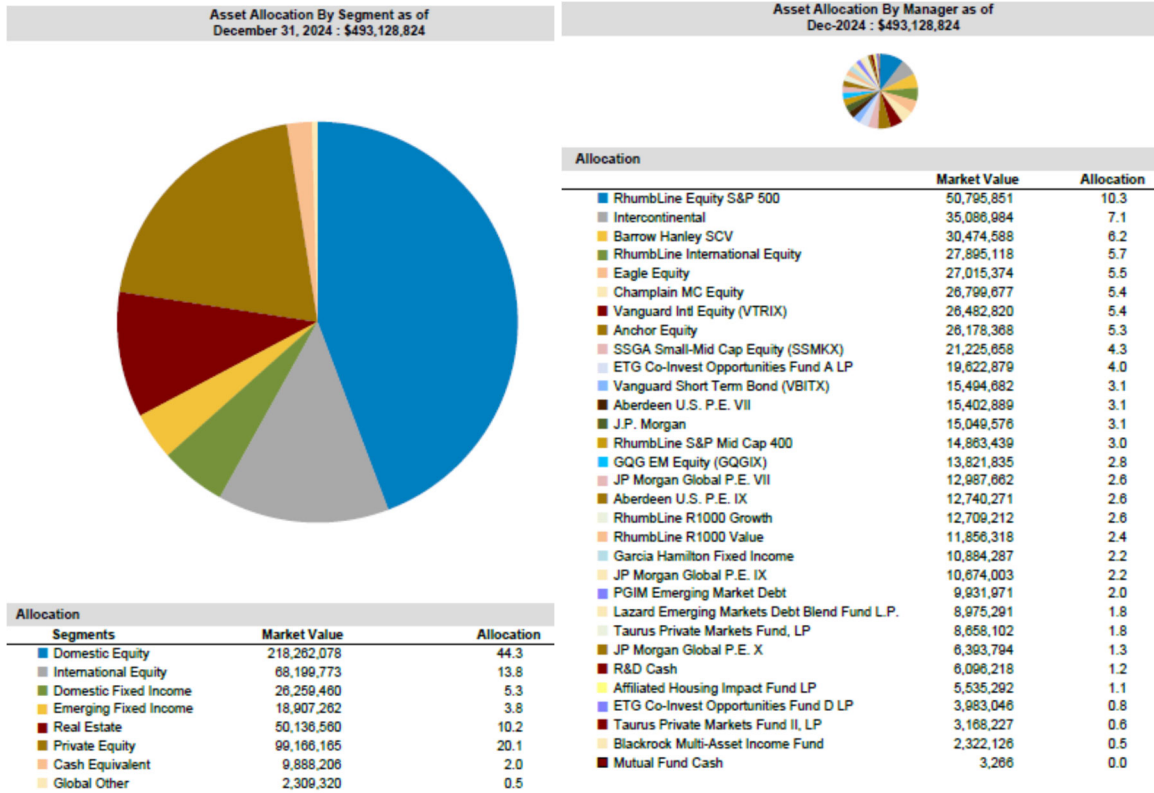
http://www.wpbppf.com/docs/investments/WPBPPF_Report_2024_Q4.pdf#zoom=100

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**Asset Allocation Summary
Total Fund Composite**



INVESTMENT MANAGER – RHUMLINE

Physical report provided to all trustees in lieu of an oral presentation on the index funds held by the plan.

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. Sean Williams made the motion to approve, which was seconded by Mrs. Fragakis. All Trustees voted yes, and the motion was passed 3-0.

OPEN DISCUSSION

Mrs. Fragakis reflected upon her recent attendance at the NAPO Pension Conference.

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 9:37 AM.

Next meeting is scheduled for March 14, 2025 at 8:30 AM.



Troy Marchese, Board Secretary