

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

Minutes

**April 10, 2026
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on April 11, 2026, 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 Secretary; Sarah Yoos, Board Trustee; Anthony Forgione, Board Trustee; Sean Williams, Board Trustee.

Also present: Jeff Amrose, Board Actuary – GRS Consulting; DJ Taylor & Casey Cass, Barrow Hanley; Brendon Vavrica, Mariner Institutional; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator.

PUBLIC COMMENTS

None.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of March 13, 2026. Mr. S. Williams made the motion to approve the minutes, which was seconded by Mr. Forgione. All Trustees voted yes, and the motion was passed 5-0.

PRESENTATION OF ACTUARIAL VALUATION FOR OCTOBER 1, 2025 – GRS CONSULTING

Mr. Amrose presented the results of the September 30, 2025 Annual Actuarial Valuation of the West Palm Beach Police Pension Fund (the Plan). The report was prepared at the request of the Board and is intended for use by the Plan and those designated or approved by the Board.

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2027, and to determine the actuarial information for GASB Statement No. 67 for the fiscal year ending September 30, 2025.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in the report. This report includes risk metrics, but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

We have assessed that the contribution rate calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the System accumulating adequate assets to make benefit payments when due.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

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The findings in this report are based on data or other information through September 30, 2025. The valuation was based upon information furnished by the Plan Administrator concerning Pension Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data.

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Methods. The investment return assumption was prescribed by the Board and the assumed mortality rates detailed in the Actuarial Assumptions and Methods section were prescribed by the Florida Statutes in accordance with Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for purposes of this valuation.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

- The actual employer contribution received during the fiscal year ending September 30, 2025 was \$8,025,741. Additionally, \$2,103,494 of the Contribution Stabilization Reserve was applied toward the required contribution for the year, resulting in a total employer contribution of \$10,129,235. The actuarially determined minimum required contribution, reflecting an October 1, 2024 payment date, was \$10,123,048. Based on this, the City required contribution has been met for the fiscal year ending September 30, 2025.
- There have been no changes in plan provisions or in the actuarial assumptions and methods since the previous valuation. However, this report does not reflect the pending amendment to the Special Act that has not yet been enacted by the Florida Legislature. The proposed amendment would increase the benefit multiplier from 3.0% to 3.2% for retirements on or after October 1, 2026, and includes additional revisions to the Special Act. The impact of this proposed amendment was measured in our Actuarial Impact Statement dated October 9, 2025. A Supplemental Valuation Report will be prepared upon enactment.

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- The funded ratio this year is 83.2% compared to 84.3% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.
- The activities of the Pension Fund and its members generated an experience loss of \$8,064,298 during the plan year ended September 30, 2025. *Please refer to pages B-6, B-16, C-4, C-5, and C-6 for additional experience information.* The primary source of the actuarial loss was investment earnings less than expected. The investment return for the FYE 2025 on the actuarial (smoothed) value of assets was 4.2% compared to the assumed rate of 7%. The investment return on the market value of assets for FYE 2025 was 9.1%.
- Currently the actuarial value of assets, which is used to determine the contribution requirements and funded ratios for the Fund, is lower than the market value by 1.4%, or \$7.3 million (see page B-6). If the deferred investment gains and losses were fully recognized on September 30, 2025, the City contribution would decrease by 1.77% of covered payroll to 39.24% of covered payroll after the application of the Contribution Stabilization Reserve, and the funded ratio would increase from 83.2% to 84.3%.
- However, the remaining 20% of the significant investment loss from the FYE 2022 will be recognized next year in 2026 (80% was recognized over the last four years). The recognition of this loss (along with the loss for FYE 2023) will put upward pressure on the contribution requirements and downward pressure on the funded ratios next year.
- Another potential area of variability has to do with the annual payment on the unfunded accrued liability (UAL). This payment is computed as a level percent of covered payroll under the assumption that covered payroll will rise by 2.5% per year. According to the Florida Statutes, this payroll growth assumption may not exceed the average growth over the last ten years which is 4.26%. Amortizing the UAL as a level percent of payroll using a 0% payroll growth assumption instead of a 2.5% payroll growth assumption would have caused the required contribution to increase by approximately \$1.8 million.
- The value of the Contribution Stabilization Reserve is \$15,785,638 as of September 30, 2025. Page A-2 shows the net Required City Contributions for FYE 2026 and FYE 2027 reflecting the application of the Contribution Stabilization Reserve pursuant to the Board’s Funding Policy. The determination of the offset due to the application of the Contribution Stabilization Reserve is shown on page B-7.
- **CONTRIBUTIONS NEEDED TO FINANCE DEFINED BENEFITS OF THE PENSION FUND**

Service pensions	25.42 %
Disability pensions	2.28
Survivor pensions	
Pre-retirement	0.24
Post-retirement	1.63
Termination benefits:	
Deferred service pensions	1.70
Refunds of member contributions	<u>0.69</u>
Total Normal Cost	31.96
Unfunded Actuarial Accrued Liability (UAAL):	
Retired members and beneficiaries	0.00
Active and vested terminated members	<u>27.34</u>
Total UAAL	27.34
Administrative Expenses (net of charges to Share and DROP accounts)	1.25
Total Calculated Contribution Requirement	60.55 %

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Adjustments to Calculated Contribution Requirement:	
Temporary full funding credit	0.00
FS112.64(5) compliance	<u>0.00</u>
Total adjustments	0.00
Total Adjusted Contribution Requirement:	
Member portion	11.00 %
Chapter 185 portion	0.00 %
City portion	49.55 %
Expected Covered Payroll for Contribution Year	31,129,583
City Contribution Requirement Paid Quarterly	15,424,711
City Contribution Requirement Paid at	
Beginning of Fiscal Year	14,911,631
Use of Contribution Stabilization Reserve (3)	2,144,640
Net City Contribution Requirement Paid at	
Beginning of Fiscal Year	12,766,991
As a Percentage of Covered Payroll	41.01 %

After review and discussion, Mr. Forgione made a motion to accept and approve the West Palm Beach Police Pension Fund Actuarial Valuation as of September 30, 2025. Motion seconded by Mrs. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

The entire report may be viewed at: <http://www.wpbppf.com/modules/stateDocs/index.asp>

Mr. Amrose also stated that the city contribution would also be adjusted based on the approval of Governor DeSantis of the Special Act Amendment.

Mr. Williams will distribute this report to the city representative(s) without delay and also provide a copy of the GRS impact statement of October 09, 2025.

Subsequently, the Board of Trustees discussed the assumed rate of return 7% still being reasonable for all measurement periods, with Mr. Vavrica and Mr. Amrose being in agreement. As a result, Mrs. Fragakis made motion to maintain the assumed rate of return at 7% as it is still reasonable for the short, mid and long term. The motion was seconded by Mr. S. Williams. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

LaFrance Matter: Mrs. Jensen briefed the Board on the status of the bankruptcy proceedings. The next court date is May 5, 2026. Mrs. Jensen felt it was in the plan's interest to retain legal counsel that will work with her firm in this matter. Motion to retain a bankruptcy attorney by Mrs. Fragakis, seconded by Mrs. Yoos. All Trustees voted yes, and the motion was passed 5-0. Mrs. Jensen also noted that Mr. LaFrance would also have the ability to challenge the attorney fees charged in his case. So that matter will have to be decided by an independent hearing officer if the bankruptcy rules in our favor.

Website Requirements: Mrs. Jensen reviewed ADA requirements¹. In conclusion, Mr. Williams will contact Saltmarsh to do a website audit and work with IT to ensure compliance. Board agreed by consensus.

Special Tax Notice: Mrs. Jensen reported that the cited form was updated to ensure notice compliance.

Form 1: Mrs. Jensen noted that Trustees must electronically file² their respective Form 1 by July 1st.

¹ Reports prior to 04-26-2026 do not need to be address.

² <https://disclosure.floridaethics.gov/Account/Login>

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INVESTMENT REPORT - Barrow Hanley – Small Cap Value

Mr. DJ Taylor & Mr. Casey Cass, Barrow Hanley presented a portfolio update to the Board of Trustees.

The representatives reminded the Board 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 has clearly outpaced the benchmark for the last year.

	Quarter to Date	Fiscal Year to Date	1 Year	3 Year Annualized	Since Inception May 03, 2021
West Palm Beach Police GOF	16.16 %	31.52 %	67.44 %	20.93 %	11.71 %
West Palm Beach Police NOF	15.95%	31.06%	66.27%	20.06%	10.94%
Russell 2000 Value	4.96%	8.37%	28.09%	13.78%	5.18%

Small Cap Commentary provided:

- Central bank policies and economic trends are driving de-globalization. Recent concerns regarding reshaping of the global trade regime could also create opportunities, though short-term disruptions may arise.
- 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, particularly those with greater exposure to the U.S., and supply remains challenged from years of underinvestment.
- Given the valuation starting point is near historic lows, the stage is set for a small cap cycle to unfold in the coming years in tandem with improved earnings growth prospects.

INVESTMENT CONSULTANT – Mariner Institutional

A flash report for March 31, 2026, prepared by Mr. Vavrica showed the fiscal year return valued at 3.6%.

Mr. Vavrica presented an updated version of the Investment Policy Guidelines and reviewed same. After discussion Mrs. Fragakis made a motion to approve, which was seconded by Mr. S. Williams. All Trustees voted yes, and the motion was passed 5-0.

Mr. Vavrica discussed the transition of Champlain to Rhumblin. Other active options were reviewed and the Board by consensus agreed to remain passive and not replace Champlain at this juncture.

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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, Mrs. Fragakis made the motion to approve items 1-15 minus item 9, which was seconded by Mr. S. Williams. All Trustees voted yes, and the motion was passed 5-0.

Mr. S. Williams then made the motion to approve item 9, which was seconded by Mr. Yoos. All Trustees voted, motion was passed 4-0-1 Mrs. Fragakis Abstained (Form 8B Completed).

OPEN DISCUSSION

None.

ADJOURNMENT

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

Next meeting is scheduled for May 08, 2026, at 8:30 AM.



Dana Fragakis, Board Secretary