

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

Minutes

**May 8, 2009
8:15 AM**

CALL THE MEETING TO ORDER

Mr. Ed Mitchell called to order the West Palm Beach Police Pension Fund Meeting on May 8, 2009 at 8:20 AM, in the conference room of the Palm Beach County Police Benevolent Association.

Present at the meeting; Ed Mitchell, Chairman (departed meeting at 10:00 AM), Jonathan Frost, Board Secretary, Wilton White, Board Trustee and Chris Roaf, Board Trustee (arrived at 8:25 AM).

Also present Joe White & Brandon Grandziel, Saxena White; Fran Coopersmith, Performance Consultant, Asset Strategy Consultants; Carol Wardlaw, Dimensional Fund Advisors; Cheryl Cannistra & David Mouser, Driehaus Capital Management; Ernest George, Plan Member; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen and Dave Williams, Plan Administrator.

Excused absence: Chris Fragakis

APPROVAL OF THE MINUTES

Mr. Mitchell asked if there were any changes required to the minutes of April 10, 2009. Mr. Frost offered his response and made a motion to approve as amended. Mr. White seconded the motion. All Trustees voted yes, and the motion was passed 4-0.

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. Mr. Frost made the motion to approve the foregoing, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

Share distributions were also presented for approval. Mr. Frost made the motion to approve, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

Death benefit selection of Mark Roode was outlined. A lump sum payment was requested by his beneficiary for the retirement benefit & share account. Mrs. Jensen reviewed the matter with the Board. Mr. Frost made the motion to approve, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

Final benefit selection of Patrick Ross, Freddy Naranjo and Jeffrey Nathanson was reviewed. Mr. Frost made the motion to approve, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

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Return of pension contributions for former member Jeffrey Lamm was brought before the Board. Mr. Frost made the motion to approve once the appropriate paperwork was received by the Plan Administrator, that motion was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

DROP ENTRY

Mr. Williams provided the Board with the request of Michael Leas to enter the DROP on 04-30-09. Mr. Frost made the motion to approve, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Mr. Joe White provided the Board with an update on the Madoff case. Mr. White indicated that to date there has been no actions filed against Collins Capital or by Collins Capital with regard to the Madoff case. Mr. White advised the complaint has been prepared, as well as the demand letters. Mr. White felt the claim was just and strong against Collins to recover fees. Due diligence claims would also be pursued. Collins held 50-60 million of Madoff investments. Discussion ensued relative to class action vs. individual action. Offshore laws were also discussed noting that they do not benefit the fund. Mr. Frost made a motion to proceed with legal action at the federal level, which was seconded by Mr. Roaf. All Trustees voted yes, and the motion was passed 4-0.

Mrs. Jensen briefed the Board on the Ertle beneficiary matter. Mrs. Jensen cited pending legislation (SB 538) that would permit a retired member to change beneficiaries. The Board elected to table the matter pending the passage of the bill.

Mrs. Jensen indicated that to date she has not received a final report from the city's audit committee.

Mr. Williams indicated that the Board should consider seeking requests for proposals for independent auditor. The Board concurred and requested Mrs. Jensen to proceed with the RFP process.

Trustee Expense Policy was discussed in the framework of cost containment. Mr. Williams cited that recapture funds were being applied to offset and/or pay for training costs. Mr. Roaf presented the policy of another public plan. Mr. Williams cited the norm for provision allowance (food) is in the \$65.00 per day range. After discussing the matter, an annual cap of \$5,000.00 per trustee was set for training/education (minus registration expense). Furthermore, a daily food allowance was set at \$60.00. Mr. Frost offered the foregoing in the form of a motion, which was seconded by Mr. Roaf. All Trustees voted yes, and the motion was passed 4-0. Mrs. Jensen will update the policy accordingly.

Mrs. Jensen reviewed the facts of the Lemanowicz case. There were no issues for the Board to consider before granting vested deferred retirement.

Mrs. Jensen advised the Board that the State of the Pension Funds Address will be held at City Hall on May 18, 2009.

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Mrs. Jensen reminded Board members their responsibility to complete and return the annual financial disclosure forms to the Supervisor of Elections.

Mrs. Jensen briefed the Board on the Coach, Inc. class action litigation.

INVESTMENT MANAGERS REPORT

ASSET STRATEGY CONSULTANTS:

Mrs. Coopersmith provided the Board with a March 31, 2009 quarterly investment report.

Mrs. Coopersmith's report indicated that as of March 31, 2009 the fund had 51.2% in equities, 40.0% in fixed income, and 5.2% in hedge funds. As of March 31, 2009, Intech (Large Cap Core) held 8.8% of the portfolio, Earnest Partners (Large Cap Value) had 6.8%, Davis Hamilton (Large Cap Growth) had 6.0%, Munder Capital (Mid Cap Growth) had 7.5%, Anchor Capital (Mid Cap Value) had 4.2%, Wells Capital (Small Cap Growth) had 3.7%, Stratton (Small Cap Value) had 3.2%, DFA International Value had 3.2%, Driehaus (Small Cap Growth) had 3.2%, Davis Hamilton (Fixed Income) had 40.0% and Collins Capital (Hedge Fund) had 5.2%

The total assets were valued at \$136,384,334. For the quarter, Mrs. Coopersmith stated that the total fund returned -3.9% vs. -6.9% compared to the blended index.

The fund outperformed relative to the blended index for the rolling one-year period -22.4% vs. -26.5%. For the three year time period, the fund returned -5.0% vs. -7.2% for the blended index. Over a five year period, the fund return was flat 0.00% vs. -1.2 for the blended index.

Mrs. Coopersmith indicated that the Board may wish to provide Davis Hamilton the ability to invest in corporate grade bonds, at their discretion, up to 6 million. The funds would come from the DHJ Fixed Income Account. Mr. White offered the foregoing in the form of a motion, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

DRIEHAUS – INTERNATIONAL SMALL CAP GROWTH MANAGER

Cheryl Cannistra & David Mouser, Driehaus Capital Management came before the Board and reviewed the 03-31-09 investment report. Regional & sector distracters were highlighted, as were future opportunities at the global level.

According the Asset Strategy Consultants Performance Report of 03-31-09, Driehaus returned -4.7% for the quarter vs. -10.6% for the benchmark (S&P Developed Ex-US SmallCap). For the year, Driehaus returned -49.5% vs. -49.7% for the same benchmark. Since inception of 12-10-07, Driehaus returned -44.8% vs. -44.6%. Market Value as of 03-31-09, \$4,355,944.

DIMENSIONAL FUND ADVISORS (DFA) – INTERNATIONAL SMALL CAP

Carol Wardlaw, DFA came before the Board and reviewed the 03-31-09 investment report. Annualized returns were reviewed as was relative performance.

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According to the Asset Strategy Consultants Performance Report of 03-31-09, DFA returned -16.1% for the quarter vs. -13.8% & -15.5% respectively for the benchmarks (MSCI EAFE & MSCI EAFE V). For the year, DFA returned -51.0% vs. -46.2% & 47.3% for the same benchmarks. Since inception of 10-31-07, DFA returned -45.7% vs. -42.6% & -44.0%. Market Value as of 03-31-09, \$4,363,553.

OLD BUSINESS

Performance Monitor Search was tabled and the Board wanted the matter to remain on the agenda.

NEW BUSINESS

Custodian Fee Review: Mr. Williams presented the Board with the results for the request for proposal from Salem Trust and Fiduciary Trust. Mr. Williams reviewed the fact the Board sought an all inclusive fee, in lieu of the current fee arrangement. Salem proposed a fee of 6.8 basis points and Fiduciary Trust proposed a fee of 4.5 basis points. Mr. Williams projected an annual costs savings in excess of \$58,000.00, if Fiduciary Trust was selected over the current fee arrangement. (Based on the 03-31-09 account balance). Members questioned Mrs. Jensen as a matter of due diligence. Mr. Roaf made a motion to secure a contract from Fiduciary Trust, to provide all necessary custodial services as quoted level, which was seconded by Mr. Roaf. All Trustees voted yes, and the motion was passed 4-0.

ADMINISTRATOR'S REPORT

Mr. Williams indicated that Mr. Hale's Share Account was recalculated by Mr. Brad Armstrong as a result of Board direction provided on February 13, 2009. The account balance was presented to the Board. Mr. Roaf made a motion to accept the revised account balance, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

Mr. Williams presented two liability insurance proposals before the Board to consider. The insurance was required under the terms of the licensing agreement between the PBA and the Fund. The parameters of the limits met the approval of Mrs. Jensen. Mr. Roaf made a motion to accept the Old Dominion Insurance Company, which was the low bidder for an amount not to exceed \$584.22 annually, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

OPEN DISCUSSION

There was no discussion

ADJOURNMENT

As there was no further business; the meeting was adjourned at 10:55 AM.

Next meeting is scheduled for June 12, 2009 at 8:15 AM

Jonathan Frost, Board Secretary