

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

Minutes

**August 14, 2009
8:15 AM**

CALL THE MEETING TO ORDER

Mr. Ed Mitchell called to order the West Palm Beach Police Pension Fund Meeting on August 14, 2009 at 8:20 AM, in the conference room of the Palm Beach County Police Benevolent Association.

Present at the meeting; Ed Mitchell, Chairman, Jonathan Frost, Board Secretary, Wilton White, Board Trustee Chris Fragakis, Board Trustee and Chris Roaf, Board Trustee

Also present were; Fran Coopersmith, Performance Consultant, Asset Strategy Consultants; Jennifer Earnest (in person), Lance Marx (telephonically), Wells Capital; Jerry Van Horn, Stratton; Jeanine Bittenger, Richard Cristini, Davidson Jamieson & Cristini; Clement Johns, Elisabeth Capota & Bernard Schinder, Goldstein, Schechter, Koch; Terry Morton, Alexia Varga & Daniel Kirchman, Nowlen, Holt & Miner; Ernest George, Plan Member; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen and Dave Williams, Plan Administrator.

APPROVAL OF THE MINUTES

Mr. Mitchell asked if there were any changes required to the minutes of July 17, 2009. Mr. Frost made a motion to approve the minutes as presented. Mr. Fragakis seconded the motion. 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.

Additionally, a share distribution for Robb Robertson was presented for approval. A DROP Loan for William Fraser was presented for approval. Finally, a return of contribution was added by Mr. Williams for Gary Smith. Mr. Smith rescinded his buyback due to an issue created under the prior administration.

Mr. Frost made the motion to approve the foregoing, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Mrs. Jensen provided a redemption request for Collins Capital for December 31, 2009 to the Board to approve, which is part of an on-going process. Mrs. Jensen Motion was made by Mr. Jonathan Frost and was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen indicated that she will speak about the City of West Palm Beach Audit Review Report at an upcoming meeting.

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Mrs. Jensen advised the Board that the RFP process for Independent Investment Consultant is underway.

INVESTMENT MANAGERS REPORT

ASSET STRATEGY CONSULTANTS:

Mrs. Coopersmith provided the Board with a June 30, 2009 quarterly investment report.

Mrs. Coopersmith's report indicated that as of June 30, 2009 the fund had 56.2% in equities, 38.9% in fixed income, and 4.9% in hedge funds. As of June 30, 2009, Intech (Large Cap Core) held 9.4% of the portfolio, Earnest Partners (Large Cap Value) had 7.6%, Davis Hamilton (Large Cap Growth) had 8.3%, Munder Capital (Mid Cap Growth) had 6.6%, Anchor Capital (Mid Cap Value) had 7.6%, Wells Capital (Small Cap Growth) had 4.9%, Stratton (Small Cap Value) had 4.0%, DFA International Value had 4.0%, Driehaus (Small Cap Growth) had 3.7%, Davis Hamilton (Fixed Income) had 38.9% and Collins Capital (Hedge Fund) had 4.9%.

The total assets were valued at \$148,754,024. For the quarter, Mrs. Coopersmith stated that the total fund returned 11.2% vs. 13.4% compared to the blended index.

The fund outperformed relative to the blended index for the rolling one-year period -14.2% vs. -16.2%. For the three year time period, the fund returned -1.0% vs. -2.9% for the blended index. Over a five year period, the fund return was 2.2% vs. 1.3% for the blended index.

Mr. Frost inquired about an exit strategy with regard to the Davis Hamilton and Jackson, Corporate Grade Bond portfolio. As a result of the inquiry, a conference call was placed to Mr. Garcia of Davis Hamilton and Jackson who indicated that over the next 3-9 months, he will be strategically selling off the holdings and moving the proceeds back into the original fixed income account. Mr. Garcia anticipated a seamless transition. The Board asked Mr. Garcia to make contact should he require any official direction or assistance.

WELLS CAPITAL MANAGEMENT- SMALL CAP GROWTH MANAGER

Jennifer Earnest (in person) & Lance Marx (telephonically) came before the Board and reviewed the June 30, 2009 quarterly investment report. Wells Capital philosophy and strategy was reviewed, as was the investment process. The portfolio structure, characteristics and performance were discussed.

According the Asset Strategy Consultants Performance Report of June 30, 2009, Wells returned 24.5% for the quarter vs. 23.4% for the benchmark (Russell 2000G). For the year, Wells returned -15.9% vs. -24.8% for the same benchmark. Since inception of December 17, 2007, Wells returned -19.8% vs. -22.1%. Market Value as of June 30, 2009 was \$7,052,857.

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STRATTON MANAGEMENT - SMALL CAP VALUE MANAGER

Jerry Van Horn came before the Board and reviewed the June 30, 2009 investment report. Annualized returns were reviewed as was relative performance. Market outlook and fund negative/positive attribution was reviewed.

Mr. Frost asked Mr. Van Horn to provide fiscal years numbers in future presentations.

According the Asset Strategy Consultants Performance Report of June 30, 2009, Stratton returned 14.7% for the quarter vs. 18.0% for the benchmark (Russell 2000V). For the year, Stratton returned -32.1% vs. -25.3% for the same benchmark. Since inception of October 31, 2007, Stratton returned -23.8% vs. -25.1%. Market Value as of June 30, 2009 was \$5,847,794.

INDEPENDENT AUDITOR PRESENTATIONS

Jeanine Bittenger, Richard Cristini, of Davidson Jamieson & Cristini; Clement Johns, Elisabeth Capota & Bernard Schinder of Goldstein, Schechter, Koch; and Terry Morton, Alexia Varga & Daniel Kirchman of Nowlen, Holt & Miner all provided presentations to the Board of Trustees.

The Board discussed all aspects of each presentation and by consensus narrowed the selection down. Jeanine Bittenger of Davidson Jamieson & Cristini was contacted telephonically and fees were finalized during the conference call. Mr. Fragakis made a motion to retain Davidson Jamieson & Cristini as our independent auditor. The fees will be as follows: \$13,500.00 for the September 30, 2009 financial statement report, \$2,000.00 for the preparation of the annual report for September 30, 2009 and \$2,000.00 for a mid year compilation. The motion was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 5-0.

ADMINISTRATOR'S REPORT

Mr. Williams advised that Wells Capital representatives wanted permission to use our fund name on their representative client list. Being that the arrangement is public in nature; the Board collectively approved that request.

Mr. Williams asked the Board to review the proposed 2010 meeting dates that were e-mailed.

Mr. Williams provided a brief update on the Fiduciary Trust transition. Mr. Williams thanked both representatives from Salem Trust and Fiduciary Trust for the spirit of cooperation during the changeover.

Mr. Williams spoke of the proposed interviews for Actuarial services. Mr. Williams felt that the purpose of the RFP was to determine a costs analysis. The results revealed that the current actuarial services were in line with others and the industry. Mr. Williams commended the Board for their due diligence. Mr. Williams spoke of the paramount value from an administrative position about the core knowledge and the fund history that Gabriel Roeder and Smith (GRS) has.

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Mr. Frost and Mr. Mitchell felt a fresh perspective should be considered. Mr. Williams reflected that the proposal from GRS will satisfy that point of view as the account would be moved to Florida from Michigan. With that, Mr. Williams asked the Board to consider adding GRS to the interview list for the next meeting. The Trustees concurred and GRS will be invited as well.

OPEN DISCUSSION

There was no discussion

ADJOURNMENT

As there was no further business; the meeting was adjourned at 11.15AM.

Next meeting is scheduled for September 11, 2009 at 8:15 AM

Jonathan Frost, Board Secretary