

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

**Minutes**

**August 6, 2010  
8:15 AM**

**CALL THE MEETING TO ORDER**

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on August 6, 2010 at 8:15 AM, in the conference room of the Palm Beach County Police Benevolent Association.

Present at the meeting: Edward Mitchell, Chairman, Jonathan Frost, Board Secretary and Chris Fragakis.

Also present: John McCann, Performance Consultant, Thistle Asset Consulting; Patrick Egan & Leslie Stern, Berman DeValerio - Telephonically, Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen; Dave Williams, Plan Administrator.

**APPROVAL OF THE MINUTES**

Mr. Mitchell asked if there were any changes required to the minutes of June 11, 2010 & July 14, 2010. Mr. Frost made the motion to approve the minutes, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 3-0.

**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. Further, DROP Distributions & DROP Loan requests were also presented to the Board to consider. Mr. Fragakis made the motion to approve, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 3-0.

**ATTORNEY'S REPORT**

Representatives from Berman DeValerio appeared telephonically to brief the Board on a potential security litigation case against Analysis. After providing a detailed summary of the case, Mr. Fragakis made the motion to allow Berman DeValerio to pursue the lead plaintiff status in the best interest of the Fund. The motion was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 3-0.

Mrs. Jensen presented the proposed credit card usage policy. Mr. Mitchell asked to table the item until a complete Board is present to discuss.

Mrs. Jensen indicated that the CitiGroup settlement payment was received by the Fund and the matter is closed.

Mrs. Jensen advised the Board of Trustees that Mr. Fahey presented the required documentation to her for the hardship distribution.

Mrs. Jensen updated the Board on the Delong matter. Mrs. Jensen received a letter from Mr. Frank McKeown, the Attorney for Mr. Delong. Mr. Frank McKeown's letter sought a possible settlement to the matter. Mr. Fragakis made the motion to reject any agreement at this juncture, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 3-0.

Mrs. Jensen highlighted a recent "IRS Determination Status" presentation that she attended at the National Association of Public Pension Attorney's Conference.

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Mrs. Jensen indicated that the West Palm Beach Pension Task Force was examining the establishment of a defined contribution plan. Mrs. Jensen further explained that Actuary studies were also being sought.

Mr. Mitchell asked Mrs. Jensen to check out a possible litigation matter involving Anchor Capital.

### **INVESTMENT MONITORING REPORT**

Asset Allocation: Mr. McCann advised that as of June 30, 2010 the fund had 45.6% in domestic equities, 7.2% in international equities, 38.4% in fixed income, 2.9% in real estate and the balance in cash.

Division of Assets: As of June 30, 2010, Garcia Hamilton Jackson held 42% of the portfolio (fixed & equity), GW Capital had 4%, Earnest Partners had 7%, Munder had 7%, Anchor had 8%, Wells had 5%, Valley Forge had 10%, DFA had 4%, Wentworth Houser had 4%, Intercontinental had 3%, Collins Capital had 4%, with the balance in the R&D Account.

The total assets were valued at \$170,399,000. For the quarter, Mr. McCann stated that the total fund returned -4.57% vs. -6.02% compared to the target index. Although negative, that return placed the Fund in the Top One Percentile in the investment universe. For the fiscal year to date, the fund return was 2.82% vs. 1.71% compared to the target index. The fiscal year to date return through June 30, 2010 placed the Fund in the Top 13 Percentile in the investment universe. An observation was made that the Florida Retirement System's rate of return for the last twelve months was reported to be 14.03%. The West Palm Beach Police Pension Fund return for the same time period exceeded that return by 19 basis points.

Mr. McCann also presented a performance review of each manager.

Mr. Mitchell asked Mr. McCann to provide a separate Compliance Report on each manager on an annual basis.

### **ADMINISTRATOR'S REPORT**

**Contribution Issue, Mr. James Louis:** Mr. Williams outlined a matter involving a member identified as Mr. James Louis. It was learned that Mr. Louis was originally hired as a public service aide with the City of West Palm Beach. On March 22, 2009, Mr. Louis became a police officer for the City of West Palm Beach. However, at that time, no notice was given to the Office of Retirement and Mr. Louis was not transferred from the General Employee Defined Contribution Plan to the our Fund.

Mr. Williams alerted Ms. Brosamer, City of West Palm Beach, HR Representative of the issue and the member was transferred to our Fund on July 8, 2010. Mr. Williams requested representatives from Davidson, Jamieson and Cristini to review the matter. The purpose of the internal review was to determine the amount of contributions due from the member and the city.

The findings of Davidson, Jamieson and Cristini showed that Mr. Louis had pensionable earnings of \$66,847.31 during the time period in question. The employee contributions that should have been made were valued at \$7,353.21. Ms. Brosamer coordinated a transfer of \$4,530.24 from the GE Plan to our Plan on behalf of the member. This left a balance due to our Fund of \$2,822.97. Ms. Brosamer entered into an agreement with Mr. Louis to repay the balance due to the Fund over the next 26 pay periods, with an additional contribution of \$108.58 per pay period.

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Mr. Williams advised the Board that he was not party to the repayment plan. As this was clearly a city error, Mr. Williams asked the city to make the payment in total and seek repayment from the member. That request was denied by Ms. Brosamer.

Mr. Williams stated that he was not against the agreement forged by the member and the city, but felt it was up to the Board to accept or deny it based on the totality of circumstances presented. Mr. Williams appreciated the effort of Ms. Brosamer to rectify this matter.

Mr. Fragakis made the motion to accept the agreement at outlined, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 3-0.

**Date of Entry Adjustment:** Mr. Williams provided the Board with an adjusted date of entry for Mr. Troy Marchese. Mr. Marchese completed his buyback of 3.2690 years of service. With this credited service, representatives from Gabriel Roeder Smith adjusted Mr. Marchese's date of entry from October 31, 1999 to July 24, 1996. Mr. Fragakis made the motion to accept and approve, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 3-0.

**Trustee Nomination/Election:** Mr. Williams indicated that Mr. Roaf's two year term is set to expire on September 30, 2010, and a notice of nomination to all active members is in order. Based on that process, a subsequent pension trustee election may follow. The dates were outlined and the Board concurred.

### **OPEN DISCUSSION**

Next meeting adjusted to September 17, 2010 due to a holiday.

### **ADJOURNMENT**

Being there was no other business; the meeting was adjourned at 10:05 AM.

The next meeting regularly scheduled meeting is September 17, 2010 at 8:15 AM.

Jonathan Frost, Board Secretary