

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

**Minutes**

**January 14, 2011  
8:15 AM**

**CALL THE MEETING TO ORDER**

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on January 14, 2011 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, Troy Marchese, Board Trustee, and Wilton White, Board Trustee.

Also present: Ernest George, Retired Fund Member, Jeanine Bittinger & Richard Cristini of Davidson, Jamieson & Cristini; John McCann & Brendon Vavrica, Performance Consultant of Thistle Asset Consulting; Paul Nasser, Intercontinental; Kenneth Kailin & Mary McManus, Oak Ridge Investments; Chuck Severson, Baird Investment Management; Peter Mitchell & Matthew Addesa, Columbia Management; 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 December 10, 2010. Mr. Frost offered his response (which was duly noted). Mr. Frost made the motion to approve the minutes, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

**APPROVAL OF DISTRIBUTIONS**

New Warrants were presented for review and execution. In addition to the Administrative Report, 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.

Discussion ensued relative to an expense of \$113.82 (which equates to \$12.64 per person, per day) for a working lunch during the audit fieldwork. Mr. Frost made a motion that expenses of this nature would have to be pre-approved by the Board in the future, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

**ATTORNEY'S REPORT**

Mrs. Jensen reported that the date of appeal expired on the DeLong matter.

Mrs. Jensen is still pursuing responses from our investment managers relative to SEC Compliance.

Mrs. Jensen advised that she filed as a lobbyist with the City of West Palm Beach.

Mrs. Jensen has been in communication with representatives from Berman DeValerio relative to the merger of Duke & Progress Energy.

Mrs. Jensen announced that the Florida Public Pension Trustees Association (FPPTA) was holding a town hall meeting at the Palm Beach County Commission Chamber on January 20<sup>th</sup>, 2011.

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### **INDEPENDENT AUDIT PRESENTATION**

Ms. Jeanine Bittinger & Mr. Richard Cristini appeared before the Board to present their findings of the September 30, 2010 independent review of the financial statements. Ms. Bittinger stated that Davidson, Jamieson & Cristini has issued a clean unqualified opinion on the West Palm Beach Police Pension Fund.

As of September 30, 2010, trust assets exceeded its liabilities with a total of \$183,197,006. (Net assets are held in trust to meet future benefit payments). This amount exceeds last year's assets by \$17,576,557. All pertinent aspects of the report were covered in detail to include the schedule of investment and administrative expenses. Ms. Bittinger indicated all were well below the accepted industry standards.

During the review a question arose over the 2009 report and international investments being held. Mrs. Jensen suggested that a footnote be inserted on the page in question clarifying the matter for all who read the report.

The memorandum on review of internal control was also reviewed by Ms. Jeanine Bittinger & Mr. Richard Cristini. All matters were addressed by Mr. Williams.

Mr. Frost made a motion to accept the Financial Statements for the Fund for September 30, 2010, and to approve same with the addition of the footnote. Mr. Marchese seconded the motion. All Trustees voted yes, and the motion was passed 4-0.

Mr. Cristini discussed the latest accounting standards for Board edification.

### **INVESTMENT REPORT – INTERCONTINENTAL**

Mr. Paul J. Nasser came before the Board to review the US REIF Account. Mr. Nasser advised that the original commitment of the Fund was valued at \$5,000,000. Since then there was a distribution of \$165,498.00. The net asset value as of September 30, 2010 was valued at \$4,898,396. A portion of the distribution was reallocated to the dividend reinvestment Program. Mr. Nasser reviewed the structure of the investment along with the objective and strategy approach. Details were discussed in terms of property type and percentage of occupancy. Mr. Nasser also outlined their procedure for appraisals and the efforts undertaken for transparency.

### **INVESTMENT MANAGER PRESENTATIONS**

Representatives from Oak Ridge, Baird and Columbia were all provided an opportunity to address the Board. The representatives provided details about their respective firms, the firm's investment philosophy, and their investment history. All provided thought provoking presentations to the Board of Trustees.

The Board discussed all aspects of each presentation and by consensus narrowed the selection down to Oak Ridge Investments. Mr. White made the motion to retain Oak Ridge Investments for the mid cap mandate, currently being held by Munder. Further, Mr. White gave direction and authority to finalize fee negotiations, not to exceed 63 basis points.

The motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

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**ADMINISTRATOR'S REPORT**

Mr. Williams advised that while conducting the monthly death check, it was discovered that Mr. Robert Miller died on November 11, 2010. Mr. Williams advised that he did not appear on the December 2010 death check report. It was learned that Mr. Miller was survived by his spouse, Dorothy Miller. A benefit adjustment was outlined to the Board.

Mr. Williams also stated the annual pension satisfaction survey was underway.

**OPEN DISCUSSION**

Mr. McCann & Mr. Vavrica discussed the changes to the investment policy once the new manager is retained. Further, Mr. Vavrica proposed a change to the benchmark for the Garcia Hamilton Fixed Portfolio. Mr. Vavrica and the portfolio manager recommended changing the benchmark from the Barclays Capital Aggregate Bond Index to the Barclays Intermediate Aggregate Bond Index. As other changes were being undertaken in the policy, it would be appropriate to make that change at this juncture. Mr. Frost made a motion to accept the proposed benchmark change to the Garcia Hamilton Fixed Portfolio from the Barclays Capital Aggregate Bond Index to the Barclays Intermediate Aggregate Bond Index. Mr. White seconded the motion. All Trustees voted yes, and the motion was passed 4-0.

**ADJOURNMENT**

Being there was no other business; the meeting was adjourned at 10:40 AM.

The next meeting regularly scheduled meeting is February 11, 2011 at 8:15 AM.

Jonathan Frost, Board Secretary