

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

**Minutes**

**May 13, 2011  
8:15 AM**

**CALL THE MEETING TO ORDER**

On behalf of Mr. Mitchell, Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on May 13, 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, Chris Fragakis, Board Trustee, Troy Marchese, Board Trustee and Wilton White, Board Trustee.

Also present: Russell Bruce, Retired Fund Member; James G. Charles, Dimensional Fund Advisors; Robert F. Croce, Anchor Capital Advisors; John McCann of Thistle Asset Consulting Group; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen, LLC; and Dave Williams, Plan Administrator.

**APPROVAL OF THE MINUTES**

Mr. Mitchell asked if there were any changes required to the minutes of April 8, 2011 & April 15, 2011. Mr. Frost offered his response (which was duly noted). Mr. Frost made the motion to approve the minutes, which was seconded by Mr. Fragakis. 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. Mr. Fragakis made the motion to approve, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 5-0

Mr. Williams also presented an Administrative Report of distributions. Mr. Frost made the motion to approve, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0

**ATTORNEY'S REPORT**

Mrs. Jensen presented the Eagle Asset contract for execution. Mr. Frost made the motion to accept the contract & approve the execution, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen presented the Knight Commission Recapture (formerly Donaldson) contract for execution. Mr. Fragakis made the motion to accept the contract & approve the execution, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen updated the Board on the Herring-Miller Matter. Mrs. Jensen advised that her office complied with a public records request filed by Mr. Scott Baur, Pension Resource Center. Mrs. Jensen indicated that while preparing the records for Mr. Baur, she located Minutes of the Board, where Mrs. Herring's situation was noted. The dates in question were September 24, 2004 and October 22, 2004. Mrs. Jensen also stated she had a copy of Mrs. Herring's Marriage Certificate in her files. As such, it was Mrs. Jensen's belief (although the summation of the minutes was limited) that the matter came before the Board at that time. Mr. Frost felt that the matter should run its course with Mr. Baur's office.

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Mrs. Jensen distributed Affidavits for the Board to consider. The Affidavits proposed would be sent on an annual basis to each retired member based on their respective type of retirement/benefit. Mr. Frost made the motion accepting the forms being proposed and directed the administrator to distribute accordingly. That motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen reminded members their respective responsibility to complete their annual financial statement.

### **ADMINISTRATOR'S REPORT**

Mr. Williams distributed the Gabriel Roeder Smith Report (dated May 12, 2011) which exhibited various scenarios' to pay down the Fund's unfunded liability.

Mr. Williams indicated that mail has been returned from Mr. Allen Robertshaw. Mr. Williams sent a letter to Mr. Robertshaw via FedEx in an effort to contact him. This was met with negative results. All contact phone numbers were explored, and proved fruitless. Local authorities were sent to check on his well being. That effort revealed that Mr. Robertshaw moved months back with no forwarding information. As a result of the foregoing, Mr. Williams reported that he requested our custodian to cease/suspend payments until further notice. Once Mr. Robertshaw's well being is confirmed and his location identified, payments will begin. The Board concurred with the action by Mr. Williams.

### **DIMENSIONAL FUND ADVISORS – INTERNATIONAL LARGE CAP MANAGER**

Mr. James G. Charles appeared before the Board and reviewed the investment returns through April 30, 2011. Mr. Charles provided a firm update, touched on the Dimensional Advantages and highlighted assets under management. Mr. Charles outlined the "Three Dimensions" around the world being the equity market (value weighted universe of stocks), the size of the company (measured by market capitalization) and company price (ratio of company book value to market). The portfolio highlights provided that Dimensional was invested in 23 countries, and held approximately 500 equity holdings.

According to the Thistle Asset Consulting Group Performance Report of March 31, 2011, the Dimensional Fund Account returned 4.46% for the quarter vs. 4.64% for the benchmark (MSCI EAFE Value Index). That return placed the Dimensional Fund Account in the 14th percentile. For the one year period, the Dimensional Fund Account returned 13.01% vs. 8.82% for the same benchmark or in the 45<sup>th</sup> percentile. It should be noted that the benchmark during this period was at the 86<sup>th</sup> percentile. Market Value as of March 31, 2011 was \$10,250,000.00. Mr. Charles reported the April 30, 2011 Market Value of the portfolio was \$10,507,498.00.

### **ANCHOR – MID CAP VALUE MANAGER**

Mr. Robert F. Croce appeared before the Board and reviewed the March 31, 2011 investment report. Mr. Croce provided a performance summary and explained that Anchor lagged the market due to an under weighting in commodities. Mr. Croce detailed Anchor's investment methodology. Mr. Croce spoke about the downside protection that their philosophy provides.

According to the Thistle Asset Consulting Group Performance Report of March 31, 2011, Anchor Capital Mid Cap Value Account returned 3.85% for the quarter vs. 7.43% for the benchmark (Russell Mid Cap Value). That return placed Anchor Capital in the 100th percentile. For the one year period, Anchor Capital returned 17.68% vs. 22.26% for the same benchmark or in the 78<sup>th</sup> percentile. Market Value as of March 31, 2011 was \$16,902,000.00.

Mr. McCann provided the Board a Morningstar Report outlining the Anchor Capital portfolio. The Board reviewed the document accordingly.

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### **INVESTMENT MONITORING REPORT**

Mr. John McCann appeared before the Board and reviewed the March 31, 2011 investment report.

Asset Allocation: Mr. McCann advised that as of March 31, 2011 the fund had 54.5% in domestic equities, 9.7% in international equities, 30.7% in fixed income, 2.5% in real estate and the balance in cash. No rebalancing was proposed by Mr. McCann.

Division of Assets: As of March 31, 2011, Garcia Hamilton Jackson held 39.6% of the portfolio (fixed & equity), Valley Forge had 10.3%, Earnest Partners had 9.2%, Oak Ridge had 8.2%, Anchor had 8.1%, Wells had 5.8%, GW Capital had 5.6%, DFA had 5.0%, Wentworth Houser had 5.1%, Intercontinental had 2.5%, Collins Capital had 0.3%, with the balance in the R&D Account.

The total assets were valued at \$205,342,000. For the quarter, Mr. McCann stated that the total fund returned 4.03% vs. 4.19% compared to the target index. For the fiscal year, the fund return was 11.39% vs. 11.34% compared to the target index. That return placed the Fund in the 60th Percentile in the investment universe. On a one year basis, the fund return was 14.33% vs. 13.77% for the benchmark.

### **INVESTMENT POLICY UPDATE – Thistle Asset Consultants**

Mr. McCann will present an amended investment policy and guidelines to the Board to consider at the next meeting.

### **OPEN DISCUSSION**

Mr. Mitchell asked Mrs. Jensen to review the Palm Beach County Ethics Law and see how it applies to this Board.

### **ADJOURNMENT**

Being there was no other business; the meeting was adjourned at 10:15 AM.

Next meeting is scheduled for June 10, 2011 at 8:15 AM

Jonathan Frost, Board Secretary