

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

Minutes

September 9, 2011
8:15 AM

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on September 9, 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, Chris Fragakis, Board Trustee (Arrived at 8:30 AM).

Also present: John McCann & Brendan Vavrica, Thistle Asset Consulting Group; James Vogt, Valley Forge Asset Management Corp.; 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 August 12, 2011. 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 3-0 (Mr. Fragakis off - dais).

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, in addition to the distributions cited on the administrative report by Mr. Williams. Mr. Marchese made the motion to approve, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 3-0 (Mr. Fragakis off - dais).

ATTORNEY'S REPORT

Mrs. Jensen presented the final order for the _____ matter for the Board to consider. Mr. Marchese made the motion for the Chairman to execute, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

There was brief discussion related to a subpoena that Mr. Mitchell received relative to a prior vendor Ernst Mahler.

Mrs. Jensen advised that a ratification vote was not held by the membership on the contract. However, the assumption change and subsequent change to the multiplier will still move forward effective October 1, 2011.

Mrs. Jensen advised that questions arose with regard to the permissiveness of Active Duty Reserve Time and Military Time (where a military pension may be paid in the future) for buyback of time in the Fund. Mrs. Jensen indicated as long as the DD-214 shows that the member is entitled to "active duty" for the time, it can count as military time. She further stated any military time may be purchased regardless of whether the member is entitled to a pension for the military service. The Board's policy, state law and federal law all allow for the crediting of military time whether or not they are accruing a military pension.

ADMINISTRATOR’S REPORT

Mr. Williams presented the 2012 Board Meeting dates. Having no opposition, there was a consensus of the Board to adopt. Mr. McCann will notify all the managers.

VALLEY FORGE ASSET MANAGEMENT CORP. (VFAM) – LARGE CAP CORE

Mr. Vogt appeared before the Board and reviewed the investment returns through August 31, 2011. Mr. Vogt provided an overview of the firm, outlined the investment process in part as being both top down and bottom up. Mr. Vogt reflected upon the rotation between value/growth. VFAM was also described as risk managers, not risk takers. Discussion ensued on portfolio return, weightings and characteristics.

The net fiscal year return through August 31, 2011 was valued at 9.97% vs. the S&P 500 return of 8.79%. The net inception return (April 30, 2010) through August 31, 2011 was valued at 13.35% vs. 5.58% for the S&P 500. Market Value as of August 31, 2011 was \$19,652,965.58.

A Morningstar report was presented to the Board for review by Mr. Vavrica for the VFAM portfolio.

INVESTMENT MONITORING REPORT

Mr. John McCann appeared before the Board and reviewed the amended investment policy and guidelines. The change was primarily due to the removal of Collins Capital from the policy. Mr. Marchese made the motion to approve, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

Due to recent events in the investment market, Mr. McCann and Mr. Vavrica presented a snapshot the investment return of the Fund through September 7, 2011. The fiscal year return to September 7, 2011, was ESTIMATED to be 5.75%. Since June 30, 2011, the fund lost approximately 6.68%, which equates to approximately \$13,605,000.

OPEN DISCUSSION

Mr. Frost advised that his appointment to the Board and that of Mr. Mitchell was reaffirmed by the city commission. Mr. Frost asked that appointments to the Board as Chairman and Secretary be placed on the October meeting agenda.

Mr. Frost asked about the status to the changes under consideration with regard to the amortization schedule, as discussed with the Mr. Palmquist and Mr. Amrose, Board Actuary. Mrs. Jensen indicated that would require a change to the special act. Further Mrs. Jensen advised a sign off from the city and the union would also be required. Mr. Mitchell advised that city representatives are currently considering the matter. Mr. Mitchell also felt the change should be added to the plan amendment for the upcoming legislative session. Mrs. Jensen will correspond with the city and the union. The foregoing action was placed in the form of a motion by Mr. Frost and seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

Discussion ensued with regard to the Ethics Ordinance. Mrs. Jensen indicated that she is still monitoring the topic. Trustees who are city employees would be subject to the ordinance. The question remains if pension boards fall under the county ordinances they are not advisory boards.

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ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:30 AM.

Next meeting is scheduled for *October 13, 2011 at 8:15 AM

Jonathan Frost, Board Secretary

*** October Meeting rescheduled on September 23, 2011**