

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

Minutes

November 4, 2011
8:15 AM

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on November 4, 2011 at 8:20 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 Troy Marchese, Board Trustee (arrived at 8:30 AM). Wilton White (appeared telephonically).

Also present: Janna Hamilton, Daniel Kallus & Jeffrey Detwiler, Garcia Hamilton & Associates; Ernest George, retired plan member; John McCann, Thistle Asset Consulting Group; Mr. Joe White, Saxena & White (appeared telephonically); 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 September 9, 2011, September 23, 2011 & October 13, 2011. 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. Warrants approved at the last meeting were presented to the Board in spreadsheet format, in addition to the activity outlined in the administrative report by Mr. Williams. Mr. Frost made the motion to approve the foregoing, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Mrs. Jensen advised that the special act amendment is pending the assumption change to extend the current amortization period. Mrs. Jensen sent written communication to both the city and the union for input. Mr. George stated he agrees with the modification on behalf of the union. Mr. Frost advised that it was his understanding that the city also concurs and felt the change was prudent.

Mrs. Jensen advised SB 365 was filed and relates to disability presumptions. Mrs. Jensen will monitor and advise the Board as warranted. Comments were made that the change to the law was premature as the disability study was still underway.

Mrs. Jensen highlighted the State of Florida - Commission on Ethics recent opinion relative to financial reporting to the state. Mrs. Jensen advised that there was no change to the current reporting standards, just clarification.

Mrs. Jensen advised that the Palm Beach County – Commission on Ethics ruled that 5th Member Board Trustees were subject to the same rules as other Board Members.

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Mrs. Jensen provided a draft letter to for the Board to review. The letter was intended for all the vendors the Board utilizes and outlined the gift law. Mr. Frost made a motion to approve the letter for distribution, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

Based on the policy which passed on October 13, 2011 related to plan rollovers; Mrs. Jensen created a written policy and presented it to the Board for adoption. After reviewing same, Mr. Frost made a motion to approve the written policy, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

ADMINISTRATOR'S REPORT

Mr. Williams briefed the Board on the retiree confirmations requested. Approximately 35 members have still not returned their confirmation forms. Final notices were transmitted accordingly.

GARCIA HAMILTON & ASSOCIATES – LARGE CAP GROWTH & FIXED INCOME MANAGER

Mrs. Janna Hamilton, Mr. Daniel Kallus & Mr. Jeffrey Detwiler, came before the Board and reviewed the September 30, 2011 investment report. Mr. Detwiler spoke about the investment philosophy of Garcia Hamilton. The fixed income portfolio characteristics were discussed. A fixed income market commentary was also provided. Annualized returns were reviewed as was relative performance. As of September 30, 2011, Garcia Hamilton Fixed Income Account returned -0.4% for the quarter vs. 2.3% for the benchmark (Barclay's Capital Int. Aggregate). For the year period, Garcia Hamilton Fixed Income Account returned 2.5% vs. 4.2% for the same benchmark. Since inception of January 31, 2004, fixed portfolio returned 5.6% vs. 5.1%. Market Value as of September 30, 2011 was \$57,975,059.27.

Mrs. Hamilton & Mr. Daniel Kallus spoke about the investment philosophy of Garcia Hamilton and highlighted the terms Growth, Quality and Diversification. The equity portion of the portfolio characteristics was discussed. Annualized returns were reviewed as was relative performance. Portfolio composition and changes in the portfolio were discussed. As of September 30, 2011, Garcia Hamilton Equity Account returned -12.8% for the quarter vs. -13.1% for the benchmark (Russell 1000 Growth). For the year period, Garcia Hamilton Equity Account returned 2.9% vs. 3.8% for the same benchmark. Since inception of March 1, 1996, equity portfolio returned 6.3% vs. 4.7%. Market Value as of September 30, 2011 was \$15,237,783.28.

A discussion ensued regarding the possibility of fixed income opportunities. Mr. McCann will follow up with Mr. Garcia and report back to the Board.

INVESTMENT MONITORING REPORT

Board members wanted to take ample time to review the fiscal year report from Mr. McCann. As such, they elected to hold a special meeting on November 18, 2011 at 1:00 PM.

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OPEN DISCUSSION

Mr. Joe White, Attorney of Saxena & White held a conference call to discuss “Right Now Technologies”. Mr. White explained that the company is being sold under its true value, which hurts the shareholders of the company such as the West Palm Beach Police Pension Fund. Mr. White asked the Board to support litigation against “Right Now Technologies” to seek a more realistic selling price for the company. Mr. White conveyed that the Board would not have to fund the effort. Mr. Frost made a motion to authorize Saxena & White to pursue the matter, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

Mr. Frost offered information to all present from recent educational symposium.

Knowing the 2012 FPPTA Membership was already paid, Mr. Frost wanted to go on the record and voice his opposition to renewing the FPPTA Membership. Mr. Frost expressed his personal opinion of the organization. Mr. Frost asked that going forward; the renewal is brought back to the Board for approval.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:45 AM.

Next special meeting is scheduled for November 18, 2011 at 1:00 PM

Next meeting is scheduled for December 9, 2011 at 8:15 AM

Jonathan Frost, Board Secretary