

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

Minutes

**January 13, 2012
8:15 AM**

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on January 13, 2012 at 8:20 AM, in the conference room of the Palm Beach County Police Benevolent Association. (The meeting was called to order on the front steps of the Palm Beach County Police Benevolent Association at 8:20 AM and recessed at 8:22 AM. The meeting reconvened in the conference room at 8:25 AM).

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: Jeanine Bittinger & Richard Cristini of Davidson, Jamieson & Cristini; John McCann, Performance Consultant of Thistle Asset Consulting; Peter Hapgood, Intercontinental; 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 09, 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 5-0.

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. *The benefit approval of Mr. Filipkowski was removed from consideration by Mr. Williams.* Mr. Williams also provided a brief update on the cost of living adjustments. Mr. Frost inquired to the share distributions related to forfeitures. Mr. Williams advised the members cited closed out their respective share accounts and these were assets based upon the prior plan year forfeiture redistribution. Mr. Frost made the motion to approve the foregoing, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Mrs. Jensen reported that letters were sent to disability recipients and for further documentation with regard to their annual filing.

Mrs. Jensen briefed the Board on the status of the amendment to the Special Act. Mrs. Jensen advised HB 1301 is the number assigned to the Bill. An analysis of the HB 1301 is underway.

Mrs. Jensen cited a letter received from Eagle Asset which explained a change in their market cap, which is the size of the companies they will invest in. Mrs. Jensen confirmed with Mr. McCann that this is an internal matter and no change is required to the investment guidelines.

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INDEPENDENT AUDIT PRESENTATION - Financial Statements – September 30, 2011 Davidson, Jamieson & Cristini, P.L.

Mr. Richard Cristini and Ms. Jeanine Bittinger, of Davidson, Jamieson & Cristini appeared before the Board. Mr. Cristini stated that the firm has issued a clean unqualified opinion on the *pension plan, & the Share/DROP plans*.

As of September 30, 2011, combined trust assets on a cash flow basis exceed its liabilities with a total of \$181,655,718, which is a \$1,541,288 decrease from September 30, 2010. Employer contributions were valued at \$5,028,968 for the plan year ending September 30, 2011. This was an increase of \$971,397 from September 30, 2010. Plan members contributed \$2,172,743 for the plan year ending September 30, 2011. This was a decrease of \$79,128 for the plan year ending September 30, 2010. The Plan faced a net investment loss of \$247,037, due to the instability in the investment market.

As of September 30, 2011, the Plan had 191 retired members and beneficiaries. There were 99 DROP Participants as of September 30, 2011. The Plan also had 126 vested active members and 125 non-vested members as of September 30, 2011. A portion of the assets held are designated for DROP & Share Accounts. As of September 30, 2011, the balances were valued at \$36,209,534 (DROP) & \$31,314,397 (Share). Plan administrative expenses for the plan year ending September 30, 2011 were valued at 0.14% of net assets. This was a reduction from September 30, 2010 which was valued at 0.15%. Ms. Bittinger reflected the expenses were well below the acceptable standard in the industry. Mr. Fragakis made a motion to accept the Financial Statements for the Plan, for September 30, 2011 as noted, which was seconded by Mr. Marchese. Carried 5-0

The Memorandum on Review of Internal Control Structure was presented to the Board to consider. Mr. Williams noted that he will send a copy of the Memorandum on Review to Fiduciary Trust, our custodian to reflect upon.

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

INVESTMENT REPORT – INTERCONTINENTAL

Mr. Peter Hapgood came before the Board to review the US REIF Account. Mr. Hapgood advised that the investment of the Fund was valued at \$9,629,370. The total commitment as of September 30, 2011 was valued at \$8,972,297. Total distributions were valued at \$212,615, which were reallocated to the dividend reinvestment Program. Mr. Hapgood reviewed the structure of the investment along with the objective and strategy approach. Details were discussed in terms of property type, locations and percentage of occupancy. Portfolio highlights were also discussed such as Lakeside Commons, Atlanta, Georgia & Lake Forest Village, Lake Forest, CA.

ADMINISTRATOR’S REPORT

Mr. Williams briefed the Board that nominations were underway as Mr. Fragakis’ seat expires on March 6, 2012.

Mr. Williams advised that now that the financial statements are approved, his focus will be directed to the state report and the actuarial valuation.

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OPEN DISCUSSION

Mr. McCann provided the Board a flash report as of December 31, 2011. The plan rebounded nicely with a return of approximately 11.7%. That return brought our plan to a balance of \$202,447,000. A formal report will be provided at the next meeting.

ADJOURNMENT

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

The next meeting regularly scheduled meeting is February 10, 2012 at 8:15 AM.

Jonathan Frost, Board Secretary