

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

Minutes

September 14, 2012
8:30 AM

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on September 14, 2012 at 8:30 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 plan member; Brendon Vavrica, Thistle Asset Consulting; James Vogt, Valley Forge Asset Management; 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 10, 2012. Mr. Frost made the motion to approve the minutes, which was seconded by Mr. Fragakis. 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 by Mr. Williams. A formal administrative report was also provided for consideration. Mr. Marchese made the motion to approve (with the exception of _____ – Final Benefit – Tabled), which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Mrs. Jensen outlined a breach of fiduciary duty claim against TPC Group, Inc. which is being pursued by Saxena White. Mr. Mitchell was contacted and approved the action between meetings. Further, Eagle Asset Management was instructed to hold shares of the security until further notice. Mrs. Jensen indicated that the Board should formally consider ratifying the action of Mr. Mitchell. Mr. White made the motion to ratify Mr. Mitchell's action to pursue the action against TPC Group, Inc., which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

GORSKI DISABILITY INFORMAL HEARING

Mrs. Jensen began by citing that _____ signed the required release for the discussion of this matter in a public forum. Mr. Williams indicated that _____ & Mr. _____ (his Father) was provided due notice of this meeting.

Mrs. Jensen advised that she has been struggling with securing the independent medical examination (IME) as required by the special act. The issue is that Mr. _____ was being treated in various locations and has moved prior to the IME taking place. Mrs. Jensen is hopeful for a resolution prior to the next meeting of October 19, 2012. Mr. Mitchell requested a special meeting if possible.

West Palm Beach Police Pension Fund – Minutes

September 14, 2012

Page 2 of 3

ADMINISTRATOR'S REPORT

Mr. Williams provided copies of all security filings for the calendar year. This was requested by Mr. Frost at the August 10, 2012 meeting. Mr. Williams advised that he will continue to update the Board as settlements are received. Mrs. Jensen also reported that Labaton Sucharow LLP recently conducted a filing audit of Salem Trust & Fiduciary Trust and found no issues.

Mr. Williams advised that after consulting with Mrs. Jensen, the Beneficiary Form was updated with new language due to HB401 and posted on-line.

Mr. Williams regrettably reported the death of Mr. Thomas Withington (September 10, 2012). He is survived by Mrs. Mary Withington. The option was reviewed by Mrs. Jensen and the required adjustment was made.

Mr. Williams advised that he learned of the death of Mrs. Annie McCray (widow) on about or about August 13, 2012. Ms. Ericka McCrutcheon, daughter of Mrs. McCray called our office and advised that she passed away on January 29, 2012. She added that she wrote a letter to the St. Petersburg office (no further known). In review of our internal files, we had no record of any letter or prior phone call, nor did Fiduciary Trust (our custodian). Mr. Williams further stated that he conducts monthly death checks based on the social security records. No death record was found for Mrs. McCray. Mr. Williams also asked Mr. Amrose of Gabriel Roeder Smith to confirm the social security number and conduct an independent death check. Mr. Amrose confirmed the social security number was consistent and also reported back no death record was found. Mr. Williams advised that all payments were stopped upon notification. Further Mr. Williams advised the loss to the Fund was \$2,665.32. To date Mr. Williams recovered \$1,000.00 from Ms. McCrutcheon and was working closely with her to avoid any legal issues. Mr. Williams will monitor the matter and brief the Board as warranted.

Mr. Williams advised the annual retirement confirmations were mailed out to all pensioners and that Mrs. Williams was monitoring the returns.

Mr. Mitchell announced that he has been approached by members of the Fund who have complimented the efforts of Mr. & Mrs. Williams. Mr. Mitchell was pleased that our members were receiving the service they deserve. Further that he (Mr. Mitchell) was glad to hear that news and told Mr. Williams to keep up the good work. Mr. Williams thanked Mr. Mitchell for his kind words and advised that it was a privilege to help those who protect this community.

VALLEY FORGE – LARGE CAP CORE EQUITY MANAGER

Mr. James T. Vogt appeared before the Board and reviewed the investment returns through September 7, 2012. Mr. Vogt provided a firm overview, investment performance. Discussion ensued on portfolio weightings and characteristics.

On a fiscal year basis (September 30, 2011 to September 7, 2012) this segment of the portfolio returned 19.69% vs. the benchmark (S&P500) which returned 29.82% for the same time period. On a longer term basis, (April 30, 2010 to September 7, 2012) this segment of the portfolio returned 29.68% vs. the benchmark (S&P500) which returned 27.42% for the same time period. Market Value as of September 7, 2012 was \$24,752,724.18. Recent underperformance was related to Gold Holdings.

Mr. Frost commented how it appears that Valley Forge provides the Fund downside protection, but does not participate completely in the upside of the market swing. Mr. Frost felt Valley Forge had very good performance on a long term relative basis.

West Palm Beach Police Pension Fund – Minutes

September 14, 2012

Page 3 of 3

According to the Thistle Asset Consulting Group Performance Report of June 30, 2012, the Valley Forge Account returned 0.68% for the quarter vs. -2.75% for the benchmark cited. That return placed the Valley Forge Account in the 1st percentile.

For the one year period, the Valley Forge Account returned 8.08% vs. 5.45% for the same benchmark or in the 1st percentile. Market Value as of June 30, 2011 was \$23,680,000.00.

INVESTMENT MONITORING REPORT

Mr. Brendon Vavrica provided an updated flash report through September 10, 2012. The investment return for the fiscal year was approximately 15.75%.

Mr. Brendon Vavrica appeared before the Board and reviewed an asset allocation report. Within the report various scenario assumptions were made by adding the asset class of emerging markets into the portfolio. The report concluded that the risk did have rewards. Mr. Frost expressed concerns within the domestic market, and felt it would be worthwhile to interview firms to learn more about this opportunity. Mr. Brendon Vavrica presented a search report and upon reviewing it, the Board decided to invite Oppenheimer Funds, Earnest & Wells Capital for a presentation. The Board elected to hold a special meeting on September 27, 2012.

OPEN DISCUSSION

No formal discussion

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:25 AM.

Next special meeting is scheduled for September 27, 2012 at 8:30 AM

Next regular meeting is scheduled for October 19, 2012 at 8:30 AM

(Rescheduled from October 12, 2012)

Jonathan Frost, Board Secretary