

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

Minutes

**January 11, 2013
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on January 11, 2013 at 8:35 AM, in the main conference room of the Ernest George Building of the Palm Beach County Police Benevolent Association.

Present at the meeting: Edward Mitchell, Chairman, Jonathan Frost, Board Secretary, Chris Fragakis, 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 14, 2012. 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 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 detailed activity outlined in the administrative report by Mr. Williams. Mr. Fragakis made the motion to approve the foregoing which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Mrs. Jensen reported on the litigation of Questcor, by advising this Fund was not appointed lead plaintiff status.

Mrs. Jensen reported that under the Board's existing policy, the Chairman authorized Saxena & White to file litigation against Duff & Phelps over a transaction type case as a result of an Acquisition Agreement. Duff & Phelps was described as a financial advisory and investment banking firm, which provides services principally in the areas of valuation, transactions, financial restructuring, dispute and taxation. Mrs. Jensen indicated that other plans may be following suit, so she will keep the Board apprised as warranted.

Mrs. Jensen advised that she learned that there will be Bill(s) filed this year in Tallahassee for pension related matters. Further updates will follow.

INDEPENDENT AUDIT PRESENTATION - Financial Statements – September 30, 2012 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*.

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As of September 30, 2012, combined trust assets on a cash flow basis exceed its liabilities with a total of \$211,869,498, which is a \$30,213,780 increase from September 30, 2011.

Employer contributions were valued at \$4,796,576 for the plan year ending September 30, 2012. This was a decrease of \$232,392 from September 30, 2011. Plan members contributed \$2,119,700 for the plan year ending September 30, 2012. This was a decrease of \$53,043 for the plan year ending September 30, 2011. Chapter 185 state excise tax rebate was valued at \$992,713. The Plan experienced a net investment gain of \$31,635,981.

As of September 30, 2012, the Plan had 186 retired members and beneficiaries. There were 27 Active DROP Participants as of September 30, 2012. The Plan also had 141 vested active members and 110 non-vested members as of September 30, 2012. A portion of the assets held are designated for DROP & Share Accounts. As of September 30, 2012, the balances were valued at \$38,421,934 (DROP) & \$34,079,824 (Share). Administrative expenses for the plan year ending September 30, 2012 were valued at 0.12% of net assets, which is a decrease of 0.02% from September 30, 2011. Ms. Bittinger reflected the expenses were well below the acceptable standard in the industry. Mr. Frost made a motion to accept the Financial Statements for the Plan, for September 30, 2012, which was seconded by Mr. White. All Trustees voted yes, and the motion was passed 4-0.

The Memorandum on Review of Internal Control Structure was presented to the Board by Mr. Cristini. All recommendations from the previous year were implemented and there were no new recommendations for the current year.

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 \$10,987,096. The total commitment as of September 30, 2012 was valued at \$9,211,297. Total distributions were valued at \$427,273. For the quarter ending September 30, 2012, the rate of return for the US REIF was 2.80%, compared to the ODCE Index which returned 2.77%. On the longer term (one year – through September 30, 2012), the US REIF rate of return was valued at 13.03% compared to the benchmark of 11.61%. The inception return was valued at 12.05% vs. the benchmark of 15.83%. Mr. Hapgood detailed geographical & property type diversification between the US REIF and the ODCE Index. Details were discussed in terms of property type, location and percentage of occupancy which was reported at 88.8%. The spectrum of risk & return was discussed for private real estate investments. Core, Core-Plus and Value-Added properties were reviewed by Mr. Hapgood. Recent acquisitions in Vacaville, CA and Chicago, IL were also detailed in addition to the investment rationale.

ADMINISTRATOR'S REPORT

Mr. Williams provided no formal report.

OPEN DISCUSSION

Mr. McCann provided the Board a flash report as of December 31, 2012. A formal report will be provided at the next meeting.

Mr. McCann also presented a Real Estate Search for the Board to consider.

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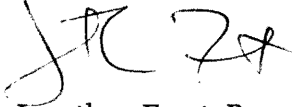
The purpose of the search was to add further diversification in real estate sector investments, and to increase exposure from existing fixed income options. The Board elected to invite JP Morgan and American Realty to the next meeting for a presentation.

Mr. Frost proclaimed his appreciation for the on-going efforts of the Plan Administrator and his Assistant. Mr. Frost is pleased with the proficiency being provided to the Board, the Plan Sponsor and the Membership. The other Trustees echoed Mr. Frost's sentiments. Mr. Williams thanked the Board for the opportunity to serve and said it was a team effort of all the professionals retained by the Board.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:55 AM.

The next meeting regularly scheduled meeting is February 8, 2013 at 8:30 AM.

A handwritten signature in black ink, appearing to read 'JFC' followed by a stylized flourish.

Jonathan Frost, Board Secretary