

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

Minutes

June 14, 2013
8:30 AM

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on June 14, 2013 at 8:30 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.

Also present: Earnest George, Retired Member; David McElroy & Steve Loncar of Ceredex Value Advisors; Dana Stewardson & Richard Buchwald of Logan Capital Management; John Riddle of BRC Investment Management; John McCann & Brendon Vavrica of Thistle Asset Consulting Group; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen, LLC. and Dave Williams, Plan Administrator. Janna Hamilton & Gilbert Garcia of Garcia Hamilton also participated telephonically during the portion of their report.

APPROVAL OF THE MINUTES

Mr. Mitchell asked if there were any changes required to the minutes of May 10, 2013. Mr. Frost offered his response (which was duly noted). Mr. Frost made the motion to approve the minutes as amended, which was seconded by Mr. Fragakis. All Trustees voted yes and the motion was passed 3-0.

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. No new distributions were requested at this meeting.

ATTORNEY'S REPORT

Mrs. Jensen reminded members to complete the required annual financial reports by July 1, 2013 if they have not already done so.

Mrs. Jensen reviewed the requirements of SB 534, which requires additional mandatory reporting by the Actuary.

Mrs. Jensen cited a letter in the agenda packet from Mr. Doug Beckendorf, State of Florida dated June 6, 2013 approving the October 1, 2012 Actuarial Valuation Report.

Mrs. Jensen advised that a check was transmitted to her office for the ACS Shareholder Settlement. The check was made out improperly so it was returned and will be re-issued.

Mrs. Jensen presented the Trustees with IME (Independent Medical Examination) options for the disability claim of . After reviewing the information provided and discussing same, Mr. Fragakis made a motion to appoint Dr. Michael Feanny. The motion was seconded by Mr. Frost. All Trustees voted yes and the motion was passed 3-0.

Mrs. Jensen provided a brief update of the other pending disability cases. In summary, the medical records are still being compiled at this juncture.

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ADMINISTRATOR'S REPORT

Mr. Williams provided a copy of a letter dated May 16, 2013 that was submitted to Mr. Dewitt McDonald. Mr. Williams conveyed that this member completed forms to buy back prior law enforcement time from an outside agency, but never provided the required proof. Mr. Williams stated he called and wrote Mr. McDonald and to date he has not received the documentation necessary to bring to the Board for approval.

Mr. Williams provided the Trustees with a copy of the March 31, 2013 Financial Statements that were prepared by Davidson, Jamieson and Cristini. Mr. Williams asked the Board to review them and if there were any questions, he would schedule a conference call with the auditors for the July 12, 2013 meeting.

Mr. Williams provided the Trustees with a copy of the annual membership satisfaction survey. The individual responses were also available for review and consideration. The following summary was presented:

1. How would you rate the courtesy & respect you receive from our staff?
Results: 92.31% Very Good to Excellent Rating
2. What would you rate the accuracy of the reports and documents received from the staff?
Results: 84.15% Very Good to Excellent Rating
3. In the area of communication:
 - a. How would you rate the pension newsletter?
Results: 77.91% Very Good to Excellent Rating
 - b. How would you rate the pension web site?
Results: 76.56% Very Good to Excellent Rating
 - c. How would you rate written communications received from the staff?
Results: 87.34% Very Good to Excellent Rating
 - d. How would you rate e-mails received from the staff?
Results: 89.36% Very Good to Excellent Rating
 - e. Over the last year, how do you feel about the lines of communication between the membership and the Board?
Results: 75.00% Very Good to Excellent Rating
4. How does the staff listen to you and understand your needs?
Results: 90.0% Very Good to Excellent Rating
5. How would you rate staff, in terms of being responsive to your requests and completing your objectives in a timely manner?
Results: 88.89% Very Good to Excellent Rating
6. How would you rate the pension forms used by the system?
Results: 76.54% Very Good to Excellent Rating
7. How would you rate the staff knowledge about the pension system?
Results: 90.79% Very Good to Excellent Rating
8. How would you rate the staff in terms of solving your problems?
Results: 88.00% Very Good to Excellent Rating
9. How would you rate the overall performance of the staff?
Results: 84.81% Very Good to Excellent Rating

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10. How would you rate the overall performance of the Board of Trustees?

Results: 76.06% Very Good to Excellent Rating

Mr. Williams pointed out that overall there was a 6% increase in membership participation compared to the 2011 survey. Furthermore, Mr. Williams cited that there were 867 affirmative responses in the top two categories cited, which equates to 84.28%. The survey will be highlighted in the next newsletter and posted to the website for transparency purposes.

INVESTMENT MANAGER PRESENTATIONS

David McElroy & Steve Loncar of Ceredex Value Advisors; Dana Stewardson & Richard Buchwald of Logan Capital Management; John Riddle of BRC Investment Management; were all provided an opportunity to address the Board with regard to their Large Cap Value Strategy. The representatives provided details about their respective firms. The firm's investment experience, philosophy, investment process and history were outlined in detail. All candidates provided thought provoking presentations to the Board of Trustees.

The Board discussed all aspects of each presentation. The Trustees noted the distinct approach used by each manager. By consensus, Mr. Frost made the motion to retain BRC Investment Management for our large cap allocation of approximately 22 million dollars. Further, the Chairman shall have the authority to execute all agreements after review & approval of Mrs. Jensen (to include transition manager, if applicable). Finally, the Plan Administrator has the authority to transfer the assets accordingly to achieve the foregoing as soon as administratively practical. The motion was seconded by Mr. Fragakis. All Trustees voted yes and the motion was passed 3-0.

Mr. Vavrica asked the Board to consider a runner-up should contract negotiations fail with BRC. Mr. Frost made the motion to retain Ceredex Value Advisors for our large cap allocation of approximately 22 million dollars, in the event that contractual terms could not be achieved with BRC. Further, the Chairman shall have the authority to execute all agreements after review & approval of Mrs. Jensen (to include transition manager, if applicable). Finally, the Plan Administrator has the authority to transfer the assets accordingly to achieve the foregoing as soon as administratively practical. The motion was seconded by Mr. Fragakis. All Trustees voted yes and the motion was passed 3-0.

GARCIA HAMILTON – INVESTMENT UPDATE

Janna Hamilton & Gilbert Garcia of Garcia Hamilton participated telephonically during the portion of their report. The Board asked for a Fixed Income update for the portfolio. The portfolio returned 0.6% vs. 0.2% for the benchmark for the quarter ending March 31, 2013. For the fiscal year the portfolio returned 1.6% vs. 0.3% for the same benchmark. On a rolling 12 month period, the portfolio returned 6.2% vs. 3.0% for the cited benchmark.

Mr. Garcia provided a detailed report outlining the portfolio characteristics in comparison to the benchmark. A comparison report also highlighted the spreads between the corporate and financial indexes.

Mr. Garcia reiterated that the Garcia Hamilton fixed income portfolio balances all the other risks in the portfolio. Mr. Garcia further stated their positions were high quality and lower volatility.

¹ Barclays Capital Int. Aggregate

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INVESTMENT MONITORING REPORT

Mr. John McCann informed the Board that the liquidation of DFA did take place and the Vanguard account was established with the proceeds.

Mr. John McCann advised he was monitoring the portfolio for possible rebalancing. At this juncture action is not imperative.

NEW BUSINESS

- Administrator's Review
- Thistle Asset Consulting Review
- Law Office of Perry & Jensen Review

Mr. Williams suggested that the foregoing issues be tabled until a full Board is present to consider. Mr. Frost concurred and made a motion to table accordingly. The motion was seconded by Mr. Fragakis. All Trustees voted yes and the motion was passed 3-0.

OPEN DISCUSSION

Mr. Williams indicated that at the May 10th meeting the Board approved Mr. Amrose to conduct studies with the pension task force (city & union officials). Mr. Williams was notified of a formal request, but sought clarity on the authorized funding amount. During this review Mr. George & Mr. Mitchell felt it would be beneficial to meet again with Mr. Amrose and consolidate the studies in an effort to dampen costs. The Board appreciated the spirit of cooperation from all involved. Mr. Frost made a motion to expend up to \$10,000.00 for required studies, which was seconded by Mr. Fragakis. All Trustees voted yes and the motion was passed 3-0.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 11:10 AM.

Next meeting is scheduled for July 12, 2013 at 8:30 AM

A handwritten signature in blue ink, appearing to read 'JF 2013', is written over the printed name of Jonathan Frost.

Jonathan Frost, Board Secretary