

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

Minutes

September 13, 2013
8:30 AM

CALL THE MEETING TO ORDER

Mr. Mitchell called to order the West Palm Beach Police Pension Fund Meeting on September 13, 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, Troy Marchese, Board Trustee and Wilton White, Board Trustee.

Also present: Jason Zangara, plan member; John McCann, Thistle Asset Consulting; James Vogt, Valley Forge Asset Management; Nadeem Faruqi & Juan E. Monteverde Faruqi & Faruqi, LLC; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen, LLC; and Dave Williams, Plan Administrator.

PUBLIC COMMENT

There was no public comment

APPROVAL OF THE MINUTES

Mr. Mitchell asked if there were any changes required to the minutes of August 23, 2013. The change(s) offered by Mr. Frost were duly noted by Mr. Williams. Mr. Fragakis 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. 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. Fragakis made the motion to approve, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

ATTORNEY'S REPORT

Mrs. Jensen reported to the Board that there was a conflict in the physician reports in the _____ Matter. Mrs. Jensen reflected that the special act provides the Board could elect the option to have _____ doctor and the Board's doctor to select a third independent doctor. That doctor would then evaluate _____ and report his/her findings. Mr. Frost felt that providing for another independent evaluation would be fair and further the due process to _____. Mr. Fragakis made a motion as outlined authorizing the existing doctors to select a third independent doctor. This motion was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 5-0.

(who was noticed about this meeting, was present during this discussion). Mr. _____ cited that he would appoint Dr. LaPointe as his doctor of record to select the third doctor with Dr. Goldschmidt. Mrs. Jensen will contact the doctors and proceed as directed.

Mrs. Jensen presented the Final Order in the _____ Matter. The document was executed by Mr. Mitchell and Mr. Frost accordingly.

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Mrs. Jensen presented the Addendum Agreement for Thistle Asset Consulting. The document was executed by Mr. Mitchell and Mr. Frost accordingly.

Mrs. Jensen advised that during the 2013 confirmation of retirement review, it was noted that _____ did not include the required documentation as it relates to her current disability status. Mrs. Jensen advised that she wrote _____ accordingly, and requested the required information.

Mrs. Jensen indicated that a subpoena was issued to her office in error for a plan member. In a spirit of cooperation, a copy of the special act was provided to the lawyer involved. Further that the correct subpoena service instructions were provided.

Mrs. Jensen is reviewing the potential benefit(s) of Mark Mintus, a vested member who is now deceased. A report will be forthcoming.

Mrs. Jensen stated that she plans on presenting the IME selection for the Matter at the October meeting.

SECURITY LITIGATION PRESENTATION

Mr. Nadeem Faruqi & Mr. Juan E. Monteverde of Faruqi & Faruqi, LLP appeared before the Board to present their proposal for portfolio monitoring.

The representatives conveyed that it is the duty of pension funds to consider security litigation claims. Mr. Monteverde stated that he understood that this Board fulfills the fiduciary obligation to its fullest.

It was stated that when institutional funds such as ours participate as lead plaintiffs, the settlements are larger, the percent of the recovery is higher and attorney fees are lower. The types of claims that Faruqi & Faruqi, LLP handle were described as Federal Securities Claims, Merger Claims, Derivative Claims, and Proxy Claims.

The representatives cited that Faruqi & Faruqi, LLP retains our investment data securely and confidentially in their system. That Faruqi & Faruqi, LLP uses state of the art software and technology utilized to identify potential litigation claims and settlement claims. Faruqi & Faruqi, LLP provides personal attention; both firm analysts and attorneys review data obtained and only then prepare monthly reports with findings and recommendations. Finally that founding partners provide oversight to finalize monthly reports with findings and recommendations.

After hearing the thought provoking presentation, Mr. Marchese made the motion to engage the portfolio monitoring services of Faruqi & Faruqi, LLP. The motion was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 5-0. Mrs. Jensen will pursue the contract accordingly.

ADMINISTRATOR'S REPORT

Mr. Williams presented a share account distribution and forfeiture report for the Board to consider. The total amount that was received from the State of Florida was \$1,067,595.57 on or about September 6, 2013. A full share allocation was valued at \$4,018.16 per member. Further, Mr. Williams presented a forfeiture report valued at \$28,071.03, which was be reallocated to members as prescribed by the special act. A full share of the forfeiture was valued at \$105.65 per member. After review, Mr. Fragakis made the motion to approve the foregoing, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0.

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VALLEY FORGE – LARGE CAP CORE EQUITY MANAGER

Mr. James T. Vogt appeared before the Board and reviewed the investment returns through August 31, 2013. Mr. Vogt provided a firm overview, investment performance. Discussion ensued on portfolio weightings and characteristics.

On a fiscal year basis (September 30, 2012 to August 31, 2013) this segment of the portfolio returned 5.96% vs. the benchmark (S&P500) which returned 15.71% for the same time period. On a longer term basis, (April 30, 2010 to August 31, 2013) this segment of the portfolio returned 38.81% vs. the benchmark (S&P500) which returned 47.88% for the same time period. Market Value as of August 31, 2013 was \$26,584,065.90.

It was conveyed that in part, recent underperformance was related to the market run on lower quality stocks in the S&P500. Other financial PowerPoint slides were also presented for the Board to consider.

The Board spoke in detail about their disappointment with regard to recent returns. It was cited that over the last two years Valley Forge went from the top 1 percentile in 2011, to the 100 percentile in 2012. It appears to the Board that Valley Forge provides more protection in a down market, than they add in an up market. Mr. McCann was prepared to present a search for the Board to consider. After further consideration, the Board felt that Valley Forge should be approached to reduce/eliminate their fee unless they produce. Mr. Frost made a motion to direct Mr. McCann to contact representatives of Valley Forge and request a fee amendment to the contract. Further the restructure would be that Valley Forge would only be paid if they post returns over and above the S&P 500, net of fees. This motion was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

INVESTMENT MONITORING REPORT

Mr. McCann provided an updated flash report through September 11, 2013. Mr. McCann reflected that the assets increased approximately 3.04% since June 30, 2013. The assets were valued at \$233,770,000.

OPEN DISCUSSION

No formal discussion

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:04 AM.

Next regular meeting is scheduled for October 11, 2013 at 8:30 AM

Jonathan Frost, Board Secretary