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

# Minutes

#### October 11, 2013 8:30 AM

#### CALL THE MEETING TO ORDER

Mr. Mitchell called to order his final meeting the West Palm Beach Police Pension Fund on October 11, 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: Earnest George, Retired Member; Lou Penque, Active Member; Joe White, Saxena & White; John McCann, Thistle Asset Consulting; Clay Lindsey, Eagle Asset Management; 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 September 13, 2013. Mr. Frost made the motion to approve the minutes, which was seconded by Mr. Fragakis. 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. After Mr. Williams detailed the report, Mr. Fragakis made the motion to approve, which was seconded by Mr. Frost. All Trustees voted yes, and the motion was passed 5-0.

#### ATTORNEY'S REPORT

Mr. White appeared before the Board and summarized a litigation report against BioScrip, Inc. Mr. White outlined a loss to the Fund in excess of \$37,000 as a result of securities fraud by BioScrip, Inc. After the Trustees considered the facts presented, Mr. Frost made a motion to engage and authorize Saxena White to proceed with the appropriate legal action against BioScrip, Inc., which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen presented an amendment to the Valley Forge fee schedule, which is performance based effective October 1, 2013. The foregoing was executed by Mr. Mitchell and Mr. Frost.

Mrs. Jensen reflected that she had the Faruqi & Faruqi, LLC. Retainer Agreement prepared for the Board to consider. The Trustees tabled the matter at this juncture.

Mrs. Jensen indicated that Dr. LaPointe (Doctor) and Dr. Goldschmidt (Board IME) selected Dr. Harley Stock. Mrs. Jensen will contact Dr. Stock and proceed accordingly with an additional IME.

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Mrs. Jensen stated she is still awaiting information on the Disability Matter, as such an IME cannot be considered at this point. The Board will be briefed as warranted.

Mrs. Jensen distributed an updated summary plan description (SPD) for the Trustees to review and consider for the next meeting.

Mrs. Jensen issued a memorandum to the Board regarding the death benefit of vested member Mr. Mark Mintus (deceased August 17, 2013). Mr. Mintus normal retirement date is February 1, 2019. The Board will review for future consideration.

#### ADMINISTRATOR'S REPORT

Mr. Williams advised that the City of West Palm Beach made their pension contribution for fiscal year 2013/14 in one lump sum. Mr. Williams reported that he directed Fiduciary Trust International of the South to transfer \$8,941,538.00 to the Garcia Hamilton – Fixed Income Account. Mr. Williams reflected that this is action was based on the Investment Policy of the Board, the market value of the Fund as of October 7, 2013 and after consultation with Representatives of Thistle Asset Consulting.

With sincere regret, Mr. Williams advised the Board of the death of retired member Mr. Richard Engelhardt (Date of Death: September 27, 2013). Mr. Williams reported that Mrs. Ellen Engelhardt is the widow of the member, and the required adjustments were outlined.

The quarterly security litigation filings (for the period of July 1, 2013 to September 30, 2013) by Fiduciary Trust International of the South were presented to the Trustees.

## EAGLE ASSET MANAGEMENT - SMALL CAP GROWTH

Mr. Clay Lindsey appeared before the Board and reviewed the September 30, 2013 Eagle Asset Management investment report. A firm review was provided as well as brief updates about the company. The investment philosophy, process and risk management was also outlined. Mr. Lindsey conveyed that the Russell 2000 Growth Index (up 12.8 percent) continued its strong run into the third quarter, leading the Russell 2000 Value Index (up 7.6 percent). Mr. Lindsey reported that all sectors within the Russell 2000 Growth generated positive absolute returns, led by results in energy (up 16.6 percent), healthcare (15.6 percent) and information technology (up 15.2 percent) while utilities (up 2.3 percent) and consumer discretionary (up 7.3 percent) posted more modest gains.

Mr. Lindsey reported the net  $3^{rd}$  quarter 2013 return was 11.18% vs. the benchmark return of 12.80%. On the fiscal year to date basis, the Eagle portfolio net return was valued at 29.33%. Since inception (May 24, 2011) the Eagle portfolio returned 12.90%, which beat the benchmark by 135 basis points.

#### INVESTMENT MONITORING REPORT

Mr. McCann was pleased to announce that the fiscal year return is in excess of 12% for the fiscal year. A detailed executive report will be provided at the November meeting.

Mr. McCann provided a detailed Morningstar report for Eagle Asset Management for the Board to review and consider.

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#### **OPEN DISCUSSION**

As this was the last meeting for Mr. Mitchell, all of the parties present took the time to formally thank Mr. Mitchell for his hard work and commitment to the West Palm Beach Pension Fund. Mr. Mitchell countered with his accolades for the Palm Beach PBA, the Trustees (past and present), Mrs. Bonni Jensen, her legal team, and Mr. & Mrs. Williams with their daily administration.

Mr. White indicated the progressive direction of the Board must continue, and with Mr. Mitchell's resignation, he would make a motion to appoint Mr. Jack Frost as the new Chairman. Mr. Mitchell echoed Mr. White's sentiment. Mr. Frost thanked Mr. White & Mr. Mitchell for their vote of confidence and indicated he would accept the role of Chairman. The motion was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

With the seat of Board Secretary now open, Mr. White made a motion to appoint Mr. Troy Marchese as the new Board Secretary. Mr. Mitchell again reinforced Mr. White's sentiment.

Mr. Marchese indicated he would accept the role of Board Secretary and thanked his fellow Trustees. The motion was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

# ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:51 AM.

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

Troy Marchese, Board Secretary

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