

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

Minutes

**January 10, 2014
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on January 10, 2014 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: Jonathan Frost, Board Chairman, Troy Marchese, Board Secretary, Chris Fragakis, Board Trustee and Craig Kahle, Board Trustee. Wilton White also attended the meeting by telephone.

Also present: Jeanine Bittinger & Richard Cristini of Davidson, Jamieson & Cristini; Peter Hapgood, Intercontinental; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen; Dave Williams, Plan Administrator.

PUBLIC COMMENT

No comments provided

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any changes required to the minutes of December 13, 2013. 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. After Mr. Williams detailed the report, 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

Matter: Mrs. Jensen stated that she expects the IME report shortly from Dr. . Mrs. Jensen also reflected a media inquiry has been received.

Mintus Matter: Mrs. Jensen indicated that meetings with all parties are pending and an update will follow.

Mrs. Jensen cited that the Summary Plan Description was revised per the Board's direction. The final document was transmitted to Mr. Williams for publication.

Mrs. Jensen stated that the revision to the Special Act was filed November 27, 2013 and will be presented for adoption at the upcoming legislative session.

Mrs. Jensen advised she is working with Representatives from Fiduciary Trust regarding foreign tax issues.

INDEPENDENT AUDIT PRESENTATION

Financial Statements – September 30, 2013 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*.

As of September 30, 2013, combined trust assets on a cash flow basis exceed its liabilities with a total of \$238,502,690, which is a \$26,633,192 increase from September 30, 2012.

Employer contributions were valued at \$6,506,923 for the plan year ending September 30, 2013. This was a increase of \$1,710,347 from September 30, 2012. Plan members contributed \$1,872,315 for the plan year ending September 30, 2013. This was a decrease of \$247,385 for the plan year ending September 30, 2012. (Attributed to drop entry and hiring.) Chapter 185 state excise tax rebate was valued at \$1,067,596. The Plan experienced a net investment gain of \$28,526,111.

As of September 30, 2013, the Plan had 187 retired members and beneficiaries. There were 57 Active DROP Participants as of September 30, 2012. The Plan also had 116 vested active members and 115 non-vested members as of September 30, 2013.

A portion of the assets held are designated for DROP & Share Accounts. As of September 30, 2013, the balances were valued at \$39,060,060 (DROP) & \$41,518,746 (Share). Administrative expenses for the plan year ending September 30, 2013 were valued at 0.12% of net assets, which is the same from the fiscal year ending September 30, 2012. Ms. Bittinger reflected the expenses were well below the acceptable standard in the industry.

Mr. Frost extended his thoughts of appreciation for the timely presentation of the report. After an exchange of questions from the Trustees, Mr. Fragakis made a motion to accept the Financial Statements for the Plan, for September 30, 2013, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

ADMINISTRATOR'S REPORT

2014 COLA: Mr. Williams indicated the 2014 COLA's were transmitted to our custodian and the transition was seamless. Written notice was also provided to all applicable members.

FPPTA: Mr. Williams presented the 2014 membership renewal for the Florida Public Pension Trustees Association (FPPTA) to the Board for consideration. The Trustees felt there was an educational benefit to the organization. Mr. Marchese made a motion to approve the 2014 membership with FPPTA, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

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 \$12,422,599 as of September 30, 2013. The total commitment as of September 30, 2013 was valued at \$9,211,297. Total distributions were valued at \$427,273. For the quarter ending September 30, 2013, the rate of return for the US REIF was 3.64%, compared to the ODCE Index which returned 3.56%.

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On the longer term (one year – through September 30, 2013), the US REIF rate of return was valued at 18.15% compared to the benchmark of 13.04%. The inception return was valued at 15.28% vs. the benchmark of 12.60%.

Mr. Hapgood detailed recent acquisitions, the geographical location, the property type, the acquisition price and the investment rationale.

Mr. Frost expressed how impressed he was with the recent client conference sponsored by Intercontinental. The access to the decision makers was outstanding and helpful to the client. Mr. Hapgood thanked Mr. Frost for his perspective.

Mr. White ended his participation in this meeting at this juncture.

INFORMAL DISABILITY HEARING –

Mrs. Jensen reviewed the records of [redacted] with regard to his disability claim that is before the Board of Trustees. It was noted that [redacted] was provided notice of this meeting. The entire file was available to the Trustees to review in the Office of Retirement. [redacted] was separated from service by the City of West Palm Beach on January 13, 2013. The reason of the dismissal was reported to be “medical discharge”. The report of [redacted] was reviewed by Mrs. Jensen. The diagnosis was cited and was deemed to be duty related. Further [redacted] did not believe that [redacted] could ever provide useful and efficient service to the city as a police officer. After considering the foregoing, Mr. Marchese made a motion to table the matter. This motion was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 4-0.

OPEN DISCUSSION

The Trustees discussed inviting Mr. Jeff Green, City Administrator and Mr. Vincent Demasi, Chief of Police to the next meeting. The Trustees wanted to ensure that these representatives are aware of the various issues from case law regarding disabilities.

Mr. Frost and Mr. Fragakis exchanged information from recent educational events.

Mr. Frost reflected that Mr. Eric Belfi of Labaton Sucharow would be in town during the next meeting. Mr. Frost suggested that Mr. Belfi be placed on the Agenda to address the Board with any updates. The Trustees agreed by consensus. Mr. Williams will invite Mr. Belfi.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:30 AM.

Next meeting is scheduled for February 14, 2014 at 8:30 AM

Troy Marchese, Board Secretary