

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

Minutes

**May 9, 2014
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on May 9, 2014 at 8:40 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, Craig Kahle, Board Trustee.

Mr. Wilton White, Board Trustee (By Conference Call at 8:55 AM).

Also present: John McCann, Thistle Asset Consulting; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen, LLC; 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 April 11, 2014. Mr. Marchese 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 Minutes from April 17, 2014 (Tabled)

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. Marchese made the motion to approve, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 4-0.

At 8:55 AM Mr. White joined the meeting via conference call. Due to unforeseen circumstances, Mr. White was unable to attend the meeting in person. Noting an official quorum was present at the meeting, Mr. Marchese made the motion to permit Mr. White attendance via conference call. This motion was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Mrs. Jensen updated the Board on HB1145. Gov. Scott's Office asked for further documentation from the city and the union. Mrs. Jensen is securing that information.

Mrs. Jensen reminded the Trustees of the annual required financial filing. Mr. Williams let the Trustees know he would ensure delivery to the Supervisor of Election's if the Trustees wanted him to do so.

Mrs. Jensen indicated that Walgreens is in settlement negotiations. A shade meeting may be required.

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Mrs. Jensen advised that in the Colfax Matter, a deposition is being sought as well as plan documents.

Mr. Frost made a comment in a case brought forth by Scott & Scott against Thoratec, Mr. Frost learned of another class action against Thoratec and cited that he would have been less likely to support the Books and Records Action if that other action was known.

Mrs. Jensen updated the Board on the Zangara Matter. A public records request was completed by the plan administrator. A complete record was provided to Mr. Winess, legal counsel for Mr. Zangara. Our Special Counsel is ready to proceed.

Mrs. Jensen updated the Board on the _____ Matter. Discovery phase is still underway for medical providers and records. Mrs. Jensen provided an IME listing for the Board to consider. After reviewing the candidates, a motion was made by Mr. Marchese to select Dr. Jeffrey Worth to perform the IME of Mr. _____. This motion was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

Mrs. Jensen reviewed the proposed Final Mintus Order & Notice to Appeal for the Board to consider, based on the action taken on April 17, 2014. Mr. Marchese made the motion to accept and authorize the execution of the Order, which was seconded by Mr. Fragakis. All Trustees voted yes, and the motion was passed 5-0.

ADMINISTRATOR'S REPORT

Mr. Williams indicated that he is working with Mr. Cristini from Davidson Jamieson and Cristini on the financial statements for March 31, 2014. Further details to follow as warranted.

INVESTMENT MONITORING REPORT

Mr. John McCann appeared before the Board and presented the March 31, 2014 investment report.

Asset Allocation: As of March 31, 2014 the fund had 54.2% in domestic equities, 8.9% in international equities, 3.0% in emerging markets, 22.3% in fixed income, 4.9% in real estate and the balance in cash.

Division of Assets: As of March 31, 2014, Garcia Hamilton & Associates held 30.3% of the portfolio (fixed & equity), Valley Forge had 11.4%, BRC had 10.4%, Oak Ridge had 9.2%, Anchor had 8.9%, Eagle Asset had 6.4%, GW Capital had 6.2%, Vanguard (VTRIX) had 4.7%, Wentworth Houser had 4.3%, Intercontinental had 4.9%, OFI had 3.0% with the balance in the R&D Account.

As of March 31, 2014, the total assets were valued at \$258,960,000. For the quarter, the total fund returned 0.98% vs. 1.70% compared to the target index. For the fiscal year, the total fund returned 7.19% vs. 7.46% compared to the target index. For the rolling one year basis, the fund return was 13.13% vs. 13.97% compared to the target index.

The domestic equity portfolio was valued at \$140,276,000 as of March 31, 2014. International equities during the same timeframe were at \$22,995,000. Mr. McCann reported that Emerging Markets were valued at \$7,867,000. Fixed income and real estate were valued at \$57,842,000 and \$12,795,000 respectively.

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For the quarter, the equity portfolio was essentially flat with a return of 0.77% vs. 1.88% compared to the target index. For the fiscal year, the equity portfolio return was 8.62% vs. 10.60% compared to the target index.

For the quarter, the traditional fixed income portion of the portfolio returned 1.67% vs. 1.20% compared to the target index.

For the quarter, the real estate portion of the portfolio returned 1.64% vs. 2.50% compared to the target index (NCREIF). For the rolling year, the real estate income portion of the portfolio return was a 15.34% vs. 10.91% compared to the target index.

A detailed review was followed by Mr. McCann with each respective manager. Reallocation was also noted at a future meeting.

INVESTMENT POLICY (IPG) UPDATE – Thistle Asset

Mr. McCann worked with Mrs. Jensen to revise the format of the IPG, so going forward when changes are made, only the affected manager would sign an addendum. No changes were made to the policy itself. Mr. Fragakis made a motion to accept the new format, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 5-0.

OPEN DISCUSSION

Mr. Frost indicated that Mr. Amrose was scheduled for a commission workshop, but was cancelled due to a city priority. Mr. Frost wanted to follow through with the presentation on June 2nd. All Trustees agreed and Mrs. Jensen will coordinate.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 9:40AM.

Next meeting is scheduled for June 13, 2014 at 8:30 AM

Troy Marchese, Board Secretary