

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

**Minutes**

**April 10, 2015  
8:30 AM**

**CALL THE MEETING TO ORDER**

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on April 10, 2015 at 8:39 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, Craig Kahle, Board Trustee and Wilton White, Board Trustee. Joseph Ahern, Board Trustee (Arrived at 8:43 AM)

Also present: Jeff Green, City Administrator – City of West Palm Beach; Mark Parks, Finance Director – City of West Palm Beach; Mr. John McCann, Thistle Asset Consulting; Bonni Jensen, Board Attorney, Law Offices of Perry & Jensen; Dave Williams, Plan Administrator. Mr. John McCann, Thistle Asset Consulting.

**PUBLIC COMMENT**

Mr. Green reflected that the city is currently in negotiations. Mr. Green indicated he understands the Board's responsibility in terms of setting assumptions. Mr. Green asked that the Board also considers the city's position and budget constraints. Mr. Frost stated that the Board is charged with having reasonable and attainable assumptions. As the city is a stakeholder, Mr. Green's input was appreciated.

Mr. Green introduced Mr. Parks as the newly appointed Finance Director to the Board of Trustees and staff.

**APPROVAL OF THE MINUTES**

Minutes of March 13, 2015 were 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. Ahern. All Trustees voted yes, and the motion was passed 5-0.

**ATTORNEY'S REPORT**

Mintus Matter: Mrs. Jensen reported she was assisting the insurance company in the recovery of Attorney's fees owed by Mrs. Mintus.

IRS Letter of Determination: Mrs. Jensen responded to an inquiry from the IRS about the Plan. The language in the Special Act may be required to comply with federal law. Mrs. Jensen advised that the IRS is treating DROP as part of the DB Plan. Specifics are requested by the IRS on how the DROP is "Determinable". Mrs. Jensen is following up accordingly.

Valley Forge: Mrs. Jensen received a "Consent of Assignment" from Valley Forge who is being purchased by BB&T Corporation. The Board discussed the disappointing performance of Valley Forge, and their under performance relative to the index.

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Mr. White felt it would be prudent for the Board to consider moving this portion of the portfolio to an index account. Mr. McCann suggested Rhumblin who mirrors the index and holds custody through State Street. Mr. Williams echoed Mr. McCann's recommendation that Rhumblin was highly regarded.

Mr. White made a motion to terminate Valley Forge upon successful negotiations and execution of an Investment Agreement with Rhumblin. Further to transfer the funds in kind to Rhumblin accordingly. This motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 5-0. Note: Due to this action, the Board of Trustees will not sign the "Consent of Assignment" from Valley Forge. Formal notice to Valley Forge will follow.

### ADMINISTRATOR'S REPORT

Mr. Williams indicated he continues to gear up for the mid year finance statements.

Annual Benefit statements are expected shortly from GRS and will be distributed upon receipt.

### INVESTMENT REPORT – PRESENTATION

Thistle Asset Consulting – John McCann

Mr. McCann provided a flash report as of April 8, 2015 to the Board, which estimated the assets at \$276,497,245. The report did not consider the gain from Real Estate as it was not available.

Mr. McCann began a discussion relating to Options Trading. Mr. McCann reflected that the Board received educational information from Mr. Michael Warsh - Chicago Board Options Exchange. Mr. McCann indicated that the point of the Options was to try to "secure" or "hold the line" to meet (or exceed) the assumed rate of return in the last quarter of the fiscal year. Mr. White went on the record adamantly opposing this measure. Mr. Frost was pleased that Mr. Green and Mr. Parks were present at the meeting and asked for their valued input. Both Mr. Green and Mr. Parks indicated that they realize that the pension plan is a long term obligation. Further that in some years the assumed rate of return, may not be attainable. Over the long term both Mr. Green and Mr. Parks felt the goal would be met or exceeded. With that being said the Board thanked both of the city representatives for their comments. No further action will ensue.

### OPEN DISCUSSION

Mr. Frost exchanged information from a recent educational event. Mr. Frost asked Mr. McCann to look into Commercial Mortgaged Backed Securities.

Mr. Williams reminded all parties present as to the change of date of the May meeting. The date is now May 15, 2015.

### ADJOURNMENT

Being there was no other business; 9:34 AM motion by Mr. Marchese to adjourn; which was seconded by Mr. Ahern. All Trustees voted yes, and the motion was passed 5-0.

Next meeting is scheduled for May 15, 2015 at 8:30 AM

Troy Marchese, Board Secretary

