

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

Minutes

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

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on October 10, 2014 at 8:48 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, Joseph Ahern, Board Trustee, Craig Kahle, Board Trustee.

Also present: Jeff Green, City Administrator – City of West Palm Beach; Lou Penque, Palm Beach PBA; Sharon Ward, BRC Investment Management; John McCann, Thistle Asset Consulting; Chris Fragakis; Ernest George; Bonni Jensen, Board Attorney, Klausner, Kaufman, Jensen & Levinson; Dave Williams, Plan Administrator.

PUBLIC COMMENT

Mr. Green asked the Board to consider the re-amortization of the unfunded liability portion of the Fund. The Trustees will inquire with the Board Actuary, Mr. Jeff Amrose for viable options that the Board could consider.

Mr. Frost took this opportunity for recognize Mr. Fragakis who recently retired and stepped down as a Trustee of the Board. Mr. Frost formally acknowledged Mr. Fragakis for his commitment to the Plan as a Trustee since 2002. Accolades followed by all those present as well. The Board wished Mr. Fragakis well in this new chapter in his life.

APPROVAL OF THE MINUTES

After making his recommendations that were duly noted, Mr. Frost asked if there were any additional changes required to the minutes of August 8, 2014, August 18, 2014 and September 12, 2014. Mr. Marchese made the motion to approve the minutes as cited, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

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

ATTORNEY'S REPORT

Mrs. Jensen presented an Assignment and Assignment Agreement for the Chairman to execute. The Agreement outlined the transition from Law Offices of Perry & Jensen, LLC to Klausner, Kaufman, Jensen & Levinson.

Mrs. Jensen handed out copies of SB 534 that will require additional reporting to the Department of Management Services. Mrs. Jensen will be attending a workshop on this matter and further updates will follow as warranted.

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Mrs. Jensen researched the Hearing requirements as it relates to the McDonald Matter. Mrs. Jensen reported that the only legal requirement was to have a quorum and a full Board was not mandatory. Discussion ensued and the Trustees felt that although the legal standard was met, they felt it would be prudent to hold another Hearing with a full Board, thus providing Mr. McDonald his due process. Mr. Marchese made a motion to extend the time limitations for Mr. McDonald's case to be reset. Mr. Ahern seconded the motion. All Trustees voted yes, and the motion was passed 4-0.

Mrs. Jensen advised that Mr. Zangara asked for a refund of his pension contributions. A Release was prepared however; Mr. Zangara has not returned the executed Release to Mr. Williams.

Mrs. Jensen reported that she was filing a response to the Court on the Mintus Matter.

Mrs. Jensen cited the release of the Collins Report. Mrs. Jensen felt it would be beneficial for the Plan if it prepared a response from the Plan's perspective and that GRS be involved to the extent necessary. Mrs. Jensen advised the fire board recently approved the same action. The trustees concurred and the forgoing was placed in a form of a motion by Mr. Marchese, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

ADMINISTRATOR'S REPORT

Mr. Williams presented the tentative meeting dates for 2015.

Mr. Williams cited the audit fieldwork dates to the Trustees.

Mr. Williams reported the receipt of \$8,644,805.00 from the City of West Palm Beach (City's Annual Contribution). After consultation with Thistle Asset, 100% of the funds were transferred pursuant to the Board's Investment Policy to the GHA Fixed Income Account.

BCR INVESTMENT MANAGEMENT

Ms. Sharon Ward, Principal of Fundamental Analysis for BRC appeared before the Board to review the September 30, 2014 investment activity. Ms. Ward began by recapping her educational background: Kellogg School of Management, Northwestern University, MBA, University of Illinois, Bachelor of Science, Engineering. Investment Experience: 18 years.

The date of inception for BRC was August 30, 2013. For that period noted, the portfolio return 23.97% compared to the Russell 1000 Value which returned 19.99%. For the fiscal year, Ms. Ward reported the portfolio return was 20.32% compared to 18.89% for the same benchmark. The quarterly return that ended September 30, 2014 was valued at -0.33% vs. -0.19% for the benchmark cited.

Market Summary: Ms. Ward reflected that there were concerns over potentially rising interest rates and slowing global growth. Dramatically negative returns for smaller capitalization companies were cited. Analyst sentiment has been modestly positive for the past 2 quarters. One of the best sectors for the quarter was Health Care +5.0%, Energy was down -9.2%. Ms. Ward summary included: Future stock price changes are driven by changing expectations. Wall Street analyst earnings revisions and announced earnings surprises directly impact investor expectations and have substantial impact on security prices. Through their quantitative models, BRC has been able to significantly predict which companies are likely to experience these revisions and earnings surprises.

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By incorporating fundamental analysis, BRC are able to identify which securities are best for inclusion in the concentrated portfolios.

INVESTMENT MONITORING REPORT

Mr. John McCann indicated that the quarter ending on September 30, 2014 was extremely challenging, but was confident the plan's investment return well exceeded the assumed rate of return. A complete report will be follow at the next meeting.

OPEN DISCUSSION

Mr. Frost briefed the Trustees on a recent educational presentation he attended where Mr. Michael Warsh, Chicago Board Options Exchange (CBOE) spoke. Mr. Frost felt it would be beneficial to see if Mr. Warsh would attend a future Board Meeting and provide educational information to the Trustees directly. By consensus the Board agreed.

ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:01 AM.

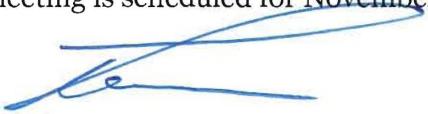
RECONVENED

Mr. Frost reconvened the meeting to gather consensus on the release of the Zangara upon receipt of the executed release. All Members concurred.

RE-ADJOURNMENT

Being there was no other business; the meeting was adjourned at 10:01 AM.

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



Troy Marchese, Board Secretary