

**VILLAGE OF
PALM SPRINGS POLICE OFFICERS' PENSION FUND
MINUTES OF MEETING HELD
November 10, 2011**

The meeting was called to order at 10:04 A.M. in the Conference Room on the First Floor at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Darrell Diez
James Gregory
Tim Conboy
Randy Hoffer

OTHERS

Bonni Jensen, Attorney
Margie Adcock, The Resource Centers
Dan Johnson, Bogdahn Consulting

MINUTES

The Board reviewed the minutes of the meeting held August 8, 2011. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held August 8, 2011.

INVESTMENT MONITOR REPORT

Dan Johnson appeared before the Board. Mr. Johnson reviewed the market environment as of September 30, 2011. He reviewed the major market index performance. He stated that it was a rough quarter. The only areas that did well were fixed income investments. Mr. Johnson reported on the performance of the Fund for the quarter ending September 30, 2011. The total market value of the Fund as of September 30, 2011 was \$12,389,056. The asset allocation was 52.8% in domestic equities; 8.3% in international; 31.9% in domestic fixed income; and 7.0% in cash. The asset allocation by manager was 41.7% with ICC Multicap; 37.6% with ICC Fixed Income; 12.5% with ICC Core Value; and 8.3% with Manning & Napier.

The total portfolio was down 11.97% net of fees for the quarter while the benchmark was down 9.74%. Mr. Johnson stated that it was not a good quarter at all, but the Fund is still doing good long term. For the fiscal year to date the total portfolio was down 2.05% while the benchmark was up 1.22%. Since inception of June 1, 2005, the total portfolio was up 6.35% while the benchmark was up 2.68%. For the quarter ending September 30, 2011, the total equity portfolio was down 19.01% while the benchmark was down 15.96%. The total domestic equity portfolio was down 18.24% for the quarter while the benchmark was down 15.28%. The total fixed income portfolio was up 3.19% for the quarter while the benchmark was up 2.30%. The total international portfolio was down 23.70% for the quarter while the benchmark was down 19.78%.

The ICC Core portfolio was down 20.33% for the quarter while the S&P 500 was down 13.87%. The ICC Multicap portfolio was down 17.59% for the quarter while the Russell

3000 was down 15.28%. The ICC Fixed Income portfolio was up 3.19% for the quarter while the benchmark was up 2.30%. Mr. Johnson stated that he is not an avid believer in the ICC Fixed Income portfolio. He noted that ICC Fixed Income had a good quarter, but he thinks there are better options out there for the Fund. The Manning & Napier portfolio was down 23.70% for the quarter while the benchmark was down 19.78%. It was noted that Manning was underweight in Japan by 7% as compared to the benchmark, which hurt their performance, as Japan was the best performing country for the quarter.

FIXED INCOME MANAGER SEARCH

Mr. Johnson provided a fixed income manager search. He stated that he recommended the Board seek a better alternative to the current fixed income portfolio. He presented information on five candidates in addition to reviewing information on the current manager ICC Capital. The five candidates were: Agincourt Capital Management; Garcia Hamilton & Associates; Reinhart Partners; Sawgrass Asset Management; and Segall Bryant & Hamill. Mr. Johnson reviewed the firm-level summary and product-level characteristics including fees. He reviewed quality and sector allocations. He reviewed the trailing performance for the quarter, year to date, 1, 3, 5, 7 and 8 year time periods. He reviewed the calendar year performance from 2004 to 2010. There was a discussion on the effect of a change from ICC fixed income on the fees of the ICC equity portfolio. There was a lengthy discussion on the candidates. Out of the five candidates, Mr. Johnson stated that he would recommend Agincourt or Garcia Hamilton given the fixed income market and their fees. He stated that these managers would take more of an aggressive approach. The Board decided to have Mr. Johnson invite Agincourt and Garcia Hamilton to the next meeting to make a presentation.

Mr. Johnson discussed the sweep vehicle used by Comerica for the Fund's accounts. He stated that this issue came up in the GE Pension Plan as a new manager for that Fund recommended a change in the sweep vehicle currently used. As such, Mr. Johnson decided to recommend the same change for this Fund. He recommended that the Cash Management Fund Election Form be executed to select the Goldman Sachs Financial Square Government Fund as the new sweep vehicle for all accounts of the Fund. He stated that it has no corporate notes, foreign notes. It only invests in US government securities. A motion was made, seconded and 4-0 to execute the Cash Management Fund Election Form to select the Goldman Sachs Financial Square Government Fund as the new sweep vehicle.

Mr. Johnson discussed a notice from Manning & Napier wherein they advise that they are changing the name of their company from "Inc" to "LLC". He stated that it would not impact the Fund.

ATTORNEY REPORT

Ms. Jensen provided updated Comerica signature authorization form. The Board executed the Form.

Ms. Jensen provided a proposed Amendment to the Agreements with Bogdahn Consulting; Manning & Napier; and Comerica to amend the Agreements to account for the name change of the Plan.

Ms. Jensen provided a Memorandum dated September 26, 2011 regarding Form 1 Reporting – Disclosure of “Intangible Personal Property”. She advised that the Florida Commission on Ethics recently issued an Ethics Opinion regarding proper reporting on Form 1.

Ms. Jensen advised that the Fund received a Favorable IRS Determination Letter. The next filing cycle will be in five years.

Randy Hoffer departed the meeting.

ADMINISTRATIVE REPORT

It was noted that Randy Hoffer provided the Village and Board with a resignation letter. It was noted that his position was as a Village Trustee. Ms. Adcock stated that she would contact the Village and inquire about filling the position.

Ms. Adcock presented the disbursements. A motion was made, seconded and carried 3-0 to pay all listed disbursements.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Tim Conboy, Chairman