

**VILLAGE OF
PALM SPRINGS POLICE OFFICERS' PENSION FUND
MINUTES OF MEETING HELD
May 8, 2012**

The meeting was called to order at 1:07 P.M. in the Conference Room on the First Floor at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
Darrell Diez
James Gregory
Ed Whitehead

OTHERS

Bonni Jensen, Attorney
Margie Adcock, The Resource Centers
Dan Johnson, Bogdahn Consulting
Chris Long & Greg Woodard, Manning & Napier

MINUTES

The Board reviewed the minutes of the meeting held February 7, 2012. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held February 7, 2012.

INVESTMENT MANAGER REPORT – MANNING & NAPIER

Chris Long and Greg Woodard appeared before the Board. Mr. Long provided a brief background. He introduced Mr. Woodard from the portfolio strategist group. He discussed the current market environment. He stated that there continues to be a lot of turmoil in the market. He stated that treasury is very low and continues to go down in Germany and the United States. He stated that there is still a lot of fear in the marketplace. Mr. Long reported that the total market value of the portfolio as of April 30, 2012 was \$1,192,818. The portfolio was up 5.69% for the most recent 3-month period ending April 30, 2012 while the benchmark was up 2.52%.

Mr. Woodard reviewed the global markets. He stated that their long-term outlook remains pretty consistent. He noted that the beginning of both 2010 and 2011 were very strong and then there was a huge pull back at the end of both years. He stated now in 2012 there are a lot of things that could cause volatility such as the US elections; Europe's recession-like environment; and a slowdown in emerging markets. However, he noted that expectations are much lower too. He stated that this is a slow, sub par recovery. He noted that 65% of companies they own are in Europe. They are very good companies that do not have a lot of exposure in Europe. They are big global companies that just happen to be headquartered in Europe. He stated that the movement to Europe hurt last year, but it has been rewarded this quarter. They are getting more constructive on emerging markets. He noted that valuations have come down. They think growth may come in at the back end. As such, they might increase exposure from 10% currently to about 12%. They have seen a move towards more growth companies. Mr. Woodard stated that about

two-thirds of the portfolio is in Europe and about 10% is in emerging markets. They are underweight in Japan as they see Japan with headwinds to growth.

Chris Long and Greg Woodard departed the meeting.

INVESTMENT MONITOR REPORT

Dan Johnson appeared before the Board. Mr. Johnson reviewed the market environment as of March 31, 2012. He reported on the performance of the Fund for the quarter ending March 31, 2012. The total market value of the Fund as of March 31, 2012 was \$14,656,131. The asset allocation was 53.3% in domestic equities; 8.4% in international; 35.2% in domestic fixed income; and 3.2% in cash. The asset allocation by manager was 42.6% with ICC Multicap; 13.4% with ICC Core Value; 35.7% with Garcia Hamilton Fixed Income; and 8.4% with Manning & Napier.

The total portfolio was up 8.68% net of fees for the quarter ending March 31, 2012 while the benchmark was up 8.36%. The total equity portfolio was up 13.80% while the benchmark was up 12.65%. The total domestic equity portfolio was up 13.46% for the quarter while the benchmark was up 12.87%. The total fixed income portfolio was up .25% for the quarter while the benchmark was up .66%. The total international portfolio was up 16.11% for the quarter while the benchmark was up 11.34%.

Mr. Johnson reviewed the performance of the individual manager portfolios. The ICC Core portfolio was up 12.92% for the quarter while the S&P 500 was up 12.59%. The ICC Multicap portfolio was up 13.64% for the quarter while the Russell 3000 was up 12.87%. The Manning & Napier portfolio was up 16.11% for the quarter while the benchmark was up 11.34%. It was noted that the Garcia Hamilton portfolio was funded during the quarter.

Mr. Johnson recommended keeping the status quo with respect to the stock to bond ratio. He stated that he was pleased with the changes the Board made in diversifying domestic equities and the change in the bond strategy. He stated that he did not think any changes should be made at this time.

Mr. Johnson discussed setting a schedule for the managers to attend future meetings. He recommended having the three managers stagger their attendance so that each attended one meeting a year and then the Actuary could present the Valuation at one meeting. It was noted that the Actuary usually presents the Valuation at the February meeting but that is not always the case. The Board decided that it wanted to have ICC continue to attend twice a year since they manage so much of the Fund's assets. It was determined that ICC would attend each February and August; Manning & Napier would attend each May; and Garcia Hamilton would attend each November.

There was a discussion on Index Funds. Mr. Johnson stated that Index Funds are good if the Board was to lose faith in a manager. He stated that he has not lost faith in the managers utilized by the Fund. He stated that he would bring a handout to the next meeting regarding this issue.

ATTORNEY REPORT

Ms. Jensen provided a Memorandum dated April 11, 2012 regarding the Palm Beach County Ethics Opinion that reconsidered RQO 11-060. She reviewed the Memorandum for the Board.

Ms. Jensen provided a Memorandum dated April 13, 2012 regarding revisions to exemptions from Public Records. She reviewed the Memorandum for the Board.

Ms. Jensen discussed a new statutory provision that passed this year - Section 732.703, Florida Statutes. This section voids the designation of the former spouse as the death beneficiary/joint annuitant as of the date of divorce and applies to all deaths occurring on or after July 1, 2012, regardless of when the designation was made. There was a lengthy discussion. Ms. Jensen stated that the Fund should renew efforts to update all beneficiary designations and involve the Village in the process.

Ms. Jensen reminded the Board that they had to file the Form 1 Financial Disclosure Form with the Supervisor of Elections in the County where they reside by July 1.

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

Ms. Jensen stated that the Board needed to appoint a new Secretary. It was noted that Randy Hoffer was the Secretary but is no longer a Trustee on the Board. A motion was made, seconded and carried 4-0 to appoint James Gregory as the Secretary.

ADMINISTRATIVE REPORT

Ms. Adcock presented the disbursements. A motion was made, seconded and carried 4-0 to pay all listed disbursements.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

James Gregory, Secretary