

Trustees:	Jerry Taylor, Chair	Others:	Joe Lawrence, Alliance Bernstein
	Lisa J Jensen		Jeff Swanson, Southeastern Advisory Services
	Michael Low		Bonni Jensen, Perry & Jensen, LLC
	Sue Kruse		Scott Baur, Resource Centers
	Rob Eichorst		Dixie Martinez, Resource Centers
	Kurt Bressner		Barry Atwood, Finance Director

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A. Quarterly Investment Review – Alliance Bernstein – Joe Lawrence (Manager)

Mr. Lawrence commented that it has been a year since he last saw the Pension Board and he wanted to give them a quick update on the Firm. He commented that it has been a difficult year as they all know and over the last six months his firm had to lay off over 1000 employees. Mr. Lawrence proceeded to review the returns for the quarter ending March 31, 2009. He reported that the equity account was down -11.9% versus the S&P 500 at -11.0% and the Russell 1000 Value at -16.8%. He explained that since conception they have outperformed the S&P 500 by 2.1% and they are right in line with the value index. He believes that this global credit crisis has created great opportunities for investing. He also believes that the next few years will be very beneficial for the way they invest. He commented that the balance sheets of the companies that they are buying are in very good shape and that they had a very nice turn around in the last two months. Mr. Lawrence reported that fixed income had underperformed by -40% in 2008. He stated that, what happened in 2008 was very simple to explain, and there were two reasons why they underperformed; liquidity dried up on CMBS's and the Bond crisis went way down. He believes it is a short term phenomenon and it will work out over the next couple of years. The other reason was investments in Corporate Bonds. He reported that the current yield is now 1.3% lower, therefore all they need is for these CNBS's and Corporate Bonds to tighten, and they will make their 2008 deficit back.

Mr. Lawrence explained that the firm owes the Plan money, and they will be sending a \$34,600 payment with interest to the Plan. He explained that during their Audit they had discovered this error and they will be making good on it. Ms. Lisa Jensen commented that it looked like there were a couple of errors and asked if they now had procedures in place to prevent this from happening again. Mr. Lawrence explained that they now have procedures in place so that this will not happen again or will not go undetected for as long as this did.

Mr. Lawrence asked for clarification from the Board on the Plans Investment Policy Statement. He explained that in the Plans Investment Policy Statement it states plain and simple "foreign Bonds are prohibited" and he needs clarification as to what foreign Bonds are. For example, should the Plan be able to purchase a Daimler Bond that is issued in the US in US dollars. He commented that these Bonds and many others like them are in the benchmark. Mr. Lawrence explained that he would need some clarification from the board as to whether or not they would consider these bonds foreign even if they are in the benchmark. Ms. Jensen explained that she would like to take a look at the State law provisions to make sure that this complies with the requirements before the Board decides. Mr. Lawrence explained that this does not need to be approved just yet, but he wanted to bring this issue to the Board's attention. He explained that they will continue holding this bond in their portfolio and if the Board feels that it is in violation of the law then it will be sold out at a reasonable time. However, since it is in the portfolio the Board may want to look at it sooner than later. Mr. Bressner suggested to the Board that they give Mr. Atwood the authority to sign the IPG on behalf of the Board after Ms. Bonni Jensen confirms that it complies with the requirements.

B. Quarterly Investment Review – Southeastern Advisory Services – Jeff Swanson

(Consultant)

Mr. Swanson reported that the Plan has suffered significant losses, and for the year to date the total fund is down -25.9%. He commented that every pension plan in Florida and across the country is looking at similar declines. The asset allocation history has been very consistent and he advised the Board to stay on their course and to stick to the Plans Investment Policy. He commented that the March price decline has been the most significant that he has seen so far. He explained that the market hit a low on March 9th and since that time he has seen a 30% rebound in equity prices. He commented that April and the first part of May have been very robust so the Plan has made back a significant portion of the losses that it sustained. Mr. Swanson reviewed the returns for the quarter ending March 31, 2009 and the total fund is down -5.6% versus the target index -7.4%. The Domestic Equities are also down -6.4% versus the target index at -10.6%, and the International Equities are down -12.9% versus the target index -13.9%. Also the Real Estate is down -13.5% versus the target index -7.3%, but the fixed Income is up 0.5% versus the target index 0.1%. Mr. Swanson commented that the last thing that should be done when going through a period like this is to change course; therefore he doesn't recommend any changes at this time. Mr. Swanson reported that Alliance Bernstein equity performance was slightly below average but relative to other large cap value managers. Mr. Swanson reviewed with the Board the returns for each manager.

V. NEW BUSINESS

A. Attorney Report

Ms. Bonni Jensen reported that in December of 2008 Congress passed an emergency package of pension relief provisions and pension related technical corrections. She explained that there are three changes that are applicable to the Plan. The first change is the "Market Rates of Interest." This new law allows governmental plans to credit interest at a rate of set by the federal, state, or local law even if it exceeds the "market rate of interest." Ms. Bonni Jensen explained that the second change would affect the public safety participants that are members of the Plan. The law includes self-funded health insurance programs in the current \$3,000 exclusion from income for public safety officers who have their health insurance premiums deducted and paid by their pension Plan. Lastly, Ms. Bonni Jensen explained that the third change that applies to the Plan is the "Required Minimum Distributions." The new law suspends required minimum distributions (generally distributions at 70 ½) from qualified retirement accounts for 2009. This law also allows the beneficiaries not to receive distributions in 2009 for the purpose of beginning the 5 year distribution cycle on distributions received by beneficiaries after the death of an account holder. Also for non-Spouse Rollovers, for the plan years beginning after 12/31/09, qualified plans must permit non-spouse rollovers. This law clarifies that until then they are permitted.

Ms. Bonni Jensen reminded the Board that Form F1 is due July 1, 2009. Ms. Bonni Jensen reported that she had seen an article in today's paper that talked about one of the members

of the Plan who resigned from employment admitting that he had taken money from the employer. She explained that Florida Statute 112.3173 requires forfeiture of a pension benefit in the event that someone either has been convicted of a specific offense or has terminated employment as a result and admitted that they committed this act. Ms. Bonni Jensen reported that she will do further research and will bring back this issue to the Board as to whether they have to consider forfeiting this individuals benefit.

B. Administrative Report

1. Warrant for Invoices

The Board reviewed the Disbursements presented for approval by the Administrator.

Motion

Mr. Bressner moved to approve the invoices that were presented by the Administrator. Ms. Lisa Jensen seconded the motion that unanimously passed 6-0.

2. Benefit Approvals

The Board reviewed the Benefit Approvals presented for approval by the Administrator.

Motion

Mr. Bressner moved to approve the Benefit Approvals which were presented by the Administrator. Ms. Kruse seconded the motion that unanimously passed 6-0.

3. Results of Election & Certification

Mr. Baur reported that there were no other nominations other than Mr. Michael Low for the open Trustee term for an employee representative member. Therefore no election was necessary. Mr. Michael Low was re-elected by default, his new term will expire December 31, 2011.

Motion

Mr. Bressner moved to approve the re-election of Mr. Michael Low for the Trustee term for an employee representative member who is not a member of a bargaining unit. Ms. Kruse seconded the motion that unanimously passed 6-0.

Mr. Baur commented that he had briefly reported at a prior meeting that his firms name would

change due to a partnership with the Municipal Employees Retirement System of Michigan. Mr. Baur reported that his firm is not going forward with the partnership due to some differences in the directions of the firms, and both firms have mutually decided that it was in the best interest of the firms not to go forward with the partnership. Mr. Baur explained that his firm's name will continue to be The Resource Centers as it was before the partnership, and that this does not affect the firm or the personnel. Mr. Baur reported that the Plan's Fiduciary Liability Insurance has been renewed. The premium is slightly higher than last year.

Motion

Mr. Bressner moved to accept the increase in premium of the Liability Insurance and its renewal. Ms. Lisa Jensen seconded the motion that unanimously passed 6-0.

Mr. Baur reported that it had been suggested to him that if the first of the month falls on a weekend or holiday, then the benefit payments could be paid on the last business day proceeding. Mr. Baur explained that he had no objection to that but he needed direction from the Board.

Motion

Mr. Bressner moved to authorize the pension administrator to disburse the monthly pension payments either on the first day of the month, or if the first day of the month falls on a weekend or holiday then the payments should be made the last business day proceeding. Ms. Lisa Jensen seconded the motion that unanimously passed 6-0.

Mr. Baur reported that the quarterly Pension Board meetings are currently being held on the third Friday of the second month of each quarter and it is his understanding that the City will be closing on Fridays in the future. Therefore the Board may have to look at selecting alternative meeting dates. Mr. Swanson suggested that the Pensions Administrator, Attorney, and Investment consultant discuss available dates and present to the Board before the next Pension Board meeting. The Board agreed.

C. Board Issues

**1. FFPTA Conference- 25th Annual Conference, June 28-July 1, 2009
at the Boca Raton Resort.**

The Trustees commented that they will not be attending the conference this year.

VI. PUBLIC COMMENTS

Mr. Stone asked the Board if the City had contemplated or actually made any changes in regards to the Pension Plan for active employees. Mr. Bressner explained that one of the options that are being considered is to offer a defined contribution plan to current and all new hires creating a split system.

VII. ADJOURNMENT

There being no other business and the next meeting having been previously scheduled for Monday, August 24 at 1:30 PM, the Trustees adjourned the meeting at 2:20 p.m.

MINUTES APPROVED: August 24, 2009

Jerry Taylor, Chair
Boynton Beach General Employees' Pension
Board

J. Scott Baur, Administrator
Boynton Beach General Employees' Pension
Board