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**MINUTES OF THE GENERAL EMPLOYEES' PENSION PLAN SPECIAL BOARD  
MEETING HELD ON WEDNESDAY JANUARY 9, 2013 AT 1:30 PM IN COMMISSION  
CHAMBERS, CITY HALL, BOYNTON BEACH, FLORIDA**

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**Trustees:** Woodrow Hay, Chair  
Michael Low  
Cathy McDeavitt  
Laurie Fasolo  
Lisa Jensen  
Lori Laverriere

**Others:** Jeff Swanson, Southeastern Advisory  
Bonni Jensen, Perry & Jensen, LLC  
Dixie Martinez, Resource Centers  
David McElroy, Ceredex Value Advisors  
Steve Loncar, Ceredex Value Advisors  
Victor Zollo, Deprince, Race & Zollo, Inc.  
Harry Radovich, Deprince, Race & Zollo, Inc.  
Brian Casey, Deprince, Race & Zollo, Inc.  
Richard Wells, Wedge Capital Management  
John Norman, Wedge Capital Management  
**Members of Public**

**I. OPENINGS:**

**A.** Call to Order – Mayor Woodrow Hay.

Chair Woodrow Hay called the meeting to order at 1:32 p.m.

**II. AGENDA APPROVAL:**

**A. Additions, Deletions, Corrections**

No additions, deletions, or corrections to the Agenda.

**Motion**

Ms. Laverriere moved to approve the Agenda. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

**III. NEW BUSINESS**

**A. INTERVIEW OF Domestic Large Cap Value Managers:**

- **1:30 p.m. Cederex Value Advisors – David McElroy & Steve Loncar**

Mr. David McElroy and Mr. Steve Loncar introduced themselves to the Board. Mr. McElroy reported that the firm's Value Equity investing roots trace back to 1989. He reported that they have \$8.1 billion in assets under management. He noted that their headquarter is in Orlando, Florida. Mr. Loncar provided an overview of the firm and reviewed their investment team. He

reviewed the firm's investment philosophy and investment process. He reviewed the characteristics of their Large Cap Value portfolio. The Board asked several questions to which they answered accordingly. Mr. Loncar reviewed their proposed management fee schedule; first 10 MM 67.5 basis points; next \$40 MM 40.5 basis points; over \$50 MM 22.5 basis points. He reported that they would be willing to work with the Board on their fees. Mr. McElroy and Mr. Steve Loncar thanked the Board for inviting them to present at this meeting.

○ **2:15 p.m. DRZ – Victor Zollo, Harry Radovich & Brian Casey**

Mr. Victor Zollo, Mr. Harry Radovich and Mr. Brian Casey introduced themselves to the Board. Mr. Zollo reported that Mr. Casey was the co-founder of the FPPTA. He reviewed the firms' investment philosophy and investment process. He reported that they have \$6.6 billion in assets under management. He reported that they are independently owned. Mr. Radovich reviewed the characteristics of their Large Cap Value portfolio. He explained how the firm makes its buy/sell decisions. He reviewed their top 10 holdings and the sector allocations. Mr. Casey explained how the firm adds value through activity. The Board asked several questions to which they answered accordingly. Mr. Zollo reviewed their proposed management fee schedule; 60 basis points on all amounts, minimum account size \$5 MM. Mr. Zollo's explained what sets them apart from Cederex Value Advisors. They thanked the Board for inviting them to present at this meeting.

○ **3:30 p.m. Wedge Capital Management – Richard Wells & John Norman.**

Mr. Richard Wells and Mr. John Norman introduced themselves to the Board. Mr. Wells reported that the firm was founded in 1984. He reported that they have \$9.2 billion in assets under management. Mr. Norman provided an overview of the firm and reviewed their investment team. He reviewed the firm's investment philosophy and the firm's systematic investment process. He reviewed the firm's top holdings and the sector allocations. Mr. Wells reviewed the firm's performance as of December 31, 2012. He talked about the firms Large Cap Value risk/reward profile since inception and ending September 30, 2012. The Board asked several questions to which they answered accordingly. Mr. Wells reviewed their proposed management fee schedule; 50 basis points per year on the first \$10 MM; 40 basis points per year on the next \$75 MM; 30 basis points per year on all over \$100 MM. They thanked the Board for inviting them to present at this meeting.

Mr. Swanson reported that three excellent firms have made presentations to the Board today. He explained his thoughts on each investment manager that presented today. Mr. Swanson recommended that the Board make a decision today. The Board had a lengthy discussion regarding the presentations.

**Motion**

Ms. Laverriere moved to negotiate with DRZ to see if they will be willing to match the lowest

fee presented (Wedge 50 basis points) and if successful to negotiate an agreement. Ms. Fasolo seconded the motion that unanimously passed 6-0.

Mr. Swanson will forward the contracts to Ms. Bonni Jensen for her review and well as the Addendum to the Investment Policy. Mr. Swanson explained to the Board that he will also have a transition manager agreement ready for execution at the next quarterly meeting.

#### **B. Wells Fargo Signature Cards**

Ms. Dixie Martinez reported that due to the recent changes to the Board of Trustees and the retirement of Finance Director Barrett Atwood, the signature cards with Wells Fargo need to be updated. She reported that the new signature cards are ready for execution.

Trustee Laurie Fasolo reported that she had been invited to attend the FPPTA's 13<sup>th</sup> Annual CPPT Continuing Education Wall Street Program in New York City. She reported that she needs the authorization from the Board to attend the upcoming continuing education program as this will be an expense to the Plan.

#### **Motion**

Ms. McDeavitt moved to authorize the expense for Ms. Fasolo's attendance to the 13<sup>th</sup> Annual CPPT Continuing Education Wall Street Program in New York City. Ms. Jensen seconded the motion that unanimously passed 6-0.

#### **IV. ADJOURNMENT**

There being no other business and the next meeting having been previously scheduled for Monday, February 25 at 1:30 p.m., the Trustees adjourned the meeting at 3:25 p.m.

MINUTES APPROVED: February 25, 2013

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Woodrow Hay, Chair  
Boynton Beach General Employees' Pension  
Board

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Dixie Martinez, Administrator  
Boynton Beach General Employees' Pension  
Board