

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF MEETING HELD

August 24, 2010

Chairman Robert DiGloria called the meeting to order at 2:00 PM in the meeting room of the North Palm Beach Village Hall located at 501 US Highway One, North Palm Beach, FL. Those persons present were:

TRUSTEES PRESENT

Robert DiGloria
Michael Piotrowski
Henry Maki
Jacob Stone

TRUSTEES ABSENT

Steve Brandt

OTHERS PRESENT

Bonni Jensen; Law Office of Perry & Jensen
Denise McNeill; Pension Resource Center
John McCann; Thistle Asset Consulting
Rob Dombrower; ICC Capital
Karen Russo; Salem Trust
Robert Gebbia, Village Councilman

ITEMS FROM THE PUBLIC

The Chairman, Robert DiGloria, invited those present to address the Board with public comments. There were no public comments.

ICC CAPITAL

Rob Dombrower appeared before the Board to present the Investment Review Quarterly Report for the quarter ending June 30, 2010. He reported the quarter has been incredibly negative, with international matters and the oil spill creating more volatility. Mr. Dombrower noted value managers are taking advantage of the fear factor in the market with quality names currently at a 25-30 year low. Mr. Dombrower responded to a few Trustee questions. It was noted the total fund amounts listed in the report include the management fees.

- Henry Maki made a motion to accept the ICC June 30, 2010 Quarterly Report. The motion received a second from Mike Piotrowski and was approved by the Trustees 4-0.

THISTLE ASSET CONSULTING

John McCann appeared before the Board to present the Executive Summary for the quarter ending June 30, 2010. He presented a Morningstar analysis of ICC's portfolio noting 1.01% was listed as non US and the portfolio has a value-style tilt.

Mr. McCann went on to review the quarterly report in detail. He reviewed the Plan's compliance noting that overall, the Plan is mostly compliant. Mr. McCann explained that the consultant and manager are both responsible to monitor the Plan for scrutinized investments; therefore an additional compliance report has been added to the process. He noted the current asset allocation is well in line with the Fund's target, however he noted that as the fund grows, he would like the Trustees to consider additional asset allocation. Mr. McCann reviewed the results for the quarter; the total fund was down -5.72%, matching the index; equities were -12.04%, below the index of -11.85%; fixed income was up 3.75%, beating the index of 3.49%; large cap core value equity was down -11.31%, beating the index of -11.43%; ADR's were down -13.71%, beating the index of -13.97% and large cap growth equity was down -11.55%, beating the index of -11.75%. He noted in the two, three and five year views, the plan ranked in the top 30% of the public fund universe.

- Mike Piotrowski made a motion to accept the Thistle June 30, 2010 Quarterly Report. The motion received a second from Jake Stone and was approved by the Trustees 4-0.

SALEM TRUST

Karen Russo appeared before the Board to address a recent fee request sent to the Board. She explained that Salem has been the custodian since 2006 and this is the first fee increase that has been requested. She explained that Salem Trust is proposing an increase from 6.0 basis points to 6.2 basis points. Discussion followed regarding the fee. Mrs. Russo explained that Salem Trust carefully reviewed all client relationships and proposed increases they felt would be fair to both Salem Trust and the client. Further discussion followed. Karen Russo advised she would agree to a three year rate guarantee with the understanding if there is a significant change to the current account arrangement, Salem Trust will revisit the fee arrangement.

- Henry Maki made a motion to accept the Salem Trust fee increase of 6.2 basis points effective July 1, 2010 and a guarantee of three years. The motion received a second from Jake Stone and was approved by the Trustees 4-0.

Mrs. Russo presented an informational report provided by the investment division of Salem Trust. Mrs. Russo then thanked the Trustees for their continued business.

OLD BUSINESS

Denise McNeill presented a buyback request tabled from the prior meeting requesting to purchase 15 months of non-pensionable time and nine months of temporary time. She explained the issue requiring Trustee consideration related to time from the Village of Royal Palm Beach Fire Department. The member had not received a monetary benefit for the initial nine months of temporary firefighter status, however the Village of Royal Palm Beach advised that the initial nine months was initially counted toward the member's vested time. Ms. Jensen reviewed the Pension Ordinance and State Statute. The Trustees discussed the circumstances noting that they did not feel the member received a benefit for the nine months of temporary time since the member did not receive a monetary benefit and the member had met their vesting period without the consideration of the nine months of temporary employment as a firefighter.

- Jake Stone made a motion to allow the member to purchase twenty-four months of prior fire time. The motion received a second from Henry Maki and was approved by the Trustees 4-0.

NEW BUSINESS

Annual Report: Denise McNeill reported that the 2009 Annual State Report had been revised and submitted to the State along with an explanation of why a fully revised report was being sent. Approval was pending.

Election: Mrs. McNeill presented an election notice to be posted for two expiring seats. It was noted that the notice needs to be corrected to reflect a new four year term date instead of the two-year term listed.

COLA: Denise McNeill presented the COLA information noting the CPI-W between April 1, 2009 and April 1, 2010 had decreased. Lengthy discussion followed regarding the COLA process.

- Henry Maki made a motion instructing the attorney to draft an Ordinance removing the language to decrease the COLA in the case where a decrease may apply. The motion received a second from Jake Stone and was approved by the Trustees 4-0.
- Jake Stone made a motion to continue the current monthly benefits effective October 1, 2010 to all retirees with no change to their current monthly amount. The motion received a second from Mike Piotrowski and was approved by the Trustees 4-0.

ATTORNEY REPORT

Bonni Jensen advised Form 1's have been filed for all Trustees.

Auditor RFP: Mrs. Jensen then reported the final Auditor RFP responses are due next week and she requested two special meetings be scheduled; one to review and short list the selections and another to interview the selected companies. The Trustees agreed to set two special meetings for September 14th and September 21st.

Class Action Reporting: Mrs. Jensen explained she is working with Salem Trust on class action suit reporting. She explained that billions of dollars are left unclaimed (mostly by individuals) due to class action suits. Karen Russo advised Salem will send the quarterly reports to the administrator to be shared with the Board. Mrs. Russo explained Salem Trust will only file claims for the period of which Salem has been the custodian of the assets.

ADMINISTRATIVE REPORT

Denise McNeill reviewed the Financial Statements presented in the Trustee packets. Mrs. McNeill then addressed a list of upcoming conferences also presented in the Trustee information.

DISBURSEMENTS

Mrs. McNeill reviewed the disbursements presented in the Trustee packets.

- Mike Piotrowski made a motion to approve all disbursements as presented. The motion received a second from Henry Maki and was approved by the Trustees 4-0.
- Mike Piotrowski made a motion to approve the minutes of the May meeting. The motion received a second from Henry Maki and was approved by the Trustees 4-0.

There being no further business:

- Mike Piotrowski made a motion to adjourn the meeting at 3:30 P.M. The motion received a second by Jake Stone and was approved by the Trustees 4-0.

Respectfully submitted,

Henry Maki