

WEST PALM BEACH FIREFIGHTERS PENSION FUND
MINUTES OF MEETING HELD
June 5, 2002

David Allison called the meeting to order at 1:37 P.M. at FOF Hall, West Palm Beach, Florida. Those persons present were:

TRUSTEES

T. Harris
D. Merrell
T. Sheppard
D. Miller
D. Allison

OTHERS

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel
Margie Adcock, Pension Resource Center

MINUTES

The Board reviewed the minutes of the meeting held May 1, 2002. It was noted that after the vote regarding the Actuarial Valuation, the Board discussed doing further research before taking action on the Valuation. Additionally, under the Investment Monitor report, the Board felt there might be some confusion when referring to first quarter as the Fund is on a fiscal year and the managers' report on a calendar year. A motion was made, seconded and carried 5-0 to approve minutes of the meetings held May 1, 2002 as amended.

STATEMENT OF INCOME AND EXPENSE

Margie Adcock presented a Statement of Income and Expense for the months of March and April 2002. The year-to-date amount paid to Oppenheimer Capital was questioned as to what quarter(s) it applied to. Ms. Adcock advised that she would report back to the Board at the next meeting. A motion was made, seconded and approved 5-0 to receive and file the Statement of Income and Expense for the months of March and April 2002.

DISBURSEMENTS

Margie Adcock reviewed the disbursement list. A motion was made, seconded and approved 5-0 to pay all listed disbursements.

ADMINISTRATIVE REPORT

Margie Adcock advised that Jerry Catoe was requesting a distribution from his share account and noted that this was his first request for a distribution from his share account. A motion was made, seconded and approved 5-0 to approve Mr. Catoe's request for a distribution.

Ms. Adcock reported that the State of Florida was requesting authorization from the Board to accept further filings from the Administrator on behalf of the Board. A motion was made, seconded and approved 5-0 to authorize the Administrator to file the required

documents with the State on behalf of the Board, and have David Allison sign the Authorization Form.

Ms. Adcock discussed with the Board the upcoming conferences. She noted that the FPPTA Conference would be in Boca Raton from June 30 – July 3. Tom Sheppard advised that he would like to attend this Conference, but would be unable to make the first day. It was noted that as the Conference is in Boca, Mr. Sheppard indicated that he would not need to stay at the hotel, but would rather commute from home. The Board decided that it was acceptable for Mr. Sheppard to attend the FPPTA Conference for the last two days.

Ms. Adcock then advised that they have been in contact with James Harmon and he has decided to have his recalculation based on the information that was originally given to him by the City. Ms. Adcock reported that the information was provided to Brad Armstrong for a recalculation.

Ms. Adcock then provided the Board with a chart on asset smoothing and the impact on the City's contribution that was prepared by Brad Armstrong. Tom Sheppard advised that he had conversations with Brad Armstrong regarding this matter. It was reported that the Union and the City signed a Memorandum of Understanding that has not been ratified yet. The agreement reached is that the Union would not oppose smoothing but would allow Participants to get an option of an 8.25% fixed fee on the DROP and share account. There was then a lengthy discussion concerning the options for smoothing that were provided by Brad Armstrong. Tom Sheppard advised that Brad Armstrong told him that a 5 year smoothing would be acceptable as when they originally had a 4 year smoothing they were not as heavily in equities as they are now' the market is more volatile now then back then; and they now have \$70 million versus \$20 million back then. A motion was made, seconded and failed 1-4 to adopt a 5 year smoothing. There was further discussion. A motion was made, seconded and approved 4-1 to adopt a 4-year smoothing.

ATTORNEY REPORT

Bonni Jensen advised that she has provided an Addendum to the Actuary Agreement to update the Actuary's new address. She will bring this to the next meeting once she receives it back from the Actuary.

Ms. Jensen advised that the Board would need to approve the Valuation based on a 4-year smoothing. A motion was made, seconded and approved 5-0 to approve the Actuarial Valuation with a 4 year smoothing.

OTHER BUSINESS

David Merrell questioned when one would receive a 13th check once they entered the DROP. It was noted that if someone entered the DROP prior to April 1 of any year, they would be entitled to a 13th check if one is issued the following year. Ms. Jensen advised that implementing the 4-year smoothing does not impact the 13th and 14th checks. A motion was made, seconded and approved 5-0 to have Bonni Jensen amend the Special

Act to incorporate the changes in the Memorandum of Understanding once ratified by the Union and the City.

There being no further business and the next meeting being scheduled for Wednesday, July 3, 2002 at 1:30 P.M. at the Union Hall. It was noted that Richard Wells would attend the meeting, as he will be in town for the FPPTA Conference. The meeting was adjourned at 2:30 P.M.

Respectfully submitted,

Tom Sheppard, Secretary