

West Palm Beach Firefighters Pension Fund
MINUTES OF MEETING HELD
March 8, 2004

Chairman Dave Allison called the meeting to order at 1:37 P.M. in the meeting room at Station 2, West Palm Beach, Florida. Those persons present were:

TRUSTEES

Dave Allison, Chairman
Dorritt Miller (1:52 PM)
David Merrell
Tom Harris

OTHERS

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel
Scott Baur, Pension Resource Center
William Stephens and Thomas Foster, Plan Participants

MINUTES

Bonni Jensen noted that Mildred Hubbard must appeal the decision of the Board before the end of the week. The Trustees noted corrections to the minutes of the meeting held on February 5, 2004. A motion was made, seconded, and passed 3-0 to approve the minutes of the meeting of February 5, 2004, as amended.

HIRE DATE ISSUES

Bonni Jensen reported that the plan found incorrect hire dates for some participants during the preparation of the changes to the Special Act. While many of these differences do not have a material impact on benefits, the correct hire dates for some participants, including two participants in the DROP, would require a significant change to previously calculated benefits. Apparently, the City reported the original hire date for general employees that later became firefighters. Ms. Jensen advised that the Pension Fund could only recognize service for a participant as a certified firefighter.

Bonni Jensen reviewed the options available to the Board to correct the hire dates. She said that the employees with prior service as general employees should have received a refund of contributions from the General Employees Pension Fund when the plan terminated, or the participants could potentially apply for a benefit from the other plan based on their service as general employees. She indicated that each person affected should receive a letter, with appropriate language, notifying the person of the hire date currently recorded by the Pension Fund, as well as the correct hire date. The corrected information should be forwarded to the City. Finally, the Board should individually review and approve each application for benefits. A participant could appeal any decision by the Trustees to correct the date of hire on file with the Pension Fund.

Two affected participants, William Stephens and Thomas Foster, addressed the Board. Both Mr. Stephens and Mr. Foster decided to enter the DROP plan based on calculations of their benefits using incorrect hire dates. They stated that they would not have made the decision to DROP with fewer years of service, and the proposed change to the hire date would reduce the monthly pension benefit credited to each of their DROP accounts.

The Board discussed the circumstances, since Mr. Stephens and Mr. Foster relied on the inaccurate information to their detriment. The Board also discussed the agreement signed by each participant upon entry into the DROP.

The Board then reviewed the impact to Mr. Stephens and Mr. Foster in light of the options available to participants under the proposed changes to the Special Act. A motion was made, seconded, and approved 4-0 to implement the process recommended by Bonni Jensen to correct the hire date information maintained by the Pension Fund. A motion was made, seconded, and approved 4-0 to allow William Stephens and Thomas Foster to exit the DROP since they relied on accurate information to make decisions regarding benefits.

FUNDING ASSUMPTION CHANGE

The City requested to the assumptions used to determine the employer contribution to the Pension Fund. Ms. Jensen explained that the contribution made by the City included reimbursement for investment related expenses. More commonly, the actuary does not add investment related expenses to the required employer contribution. Furthermore, the Division of Retirement provided a letter on June 13, 1998, explaining that the administrative expenses for a pension plan do not need to include investment related expenses. A motion was made, seconded, and passed 3-1 to exclude the investment related expenses from the administrative expenses of the plan used by the actuary to determine the required contribution by the employer. Dave Allison dissented.

ATTORNEY REPORT (Bonni Jensen)

Bonni Jensen reported that the Division of Retirement accepted the proposed changes to the Special Act without revision. She then reviewed the most recent changes and provided the Board with a policy for implementation and administration of the changes.

Ms. Jensen then reported that Miberg Weiss contacted her regarding a potential class action suit. The securities attorney requested that the Pension Fund act as lead plaintiff for an action against the 99 Cent Stores, a security that caused Deprince Race and Zollo to lose approximately \$3,000. A motion was made, seconded, and approved 4-0 not to become lead plaintiff in the securities litigation against the 99 Cent Stores.

A motion was made, seconded, and approved 4-0 to draft policies where required to clarify the changes to the Special Act based on the assumptions used by the actuary to cost the changes.

DISBURSEMENTS

A motion was made, seconded, and passed 4-0 to accept the disbursements presented by the administrator.

The Trustees reviewed the statement of income and expense. The Trustees received and filed the unaudited financial statement.

There being no further business and the next meeting being scheduled for Thursday, April 1, 2004, at 1:30 P.M. at Station 2, the meeting was adjourned.

Respectfully submitted,

Tom Harris, Chairman