

West Palm Beach Firefighters Pension Fund
MINUTES OF MEETING HELD
April 7, 2005

Chairman David Merrell called the meeting to order at 1:36 P.M. in the meeting room at Station 2, West Palm Beach, Florida. Those persons present were:

TRUSTEES

David Merrell, Chairman
Tom Sheppard, Secretary
Matt Young

OTHERS

Bonni Jensen, Hanson, Perry, & Jensen
Scott Baur & Nick Schiess, Pension Resource Center
Joseph White, Milberg Weiss Bershad & Schulman LLP

MINUTES

The Trustees reviewed the minutes for the meeting of March 3, 2005. A motion was made, seconded, and passed 3-0 to approve the minutes for the meeting of March 3, 2005.

STATEMENT OF INCOME AND EXPENSE

The Board was provided with a Statement of Income and Expense through January 31, 2005. The Trustees received and filed the monthly financial statement.

DISBURSEMENTS

The Trustees reviewed a list of disbursements presented for approval by the Administrator. A motion was made, seconded, and passed 3-0 to approve the disbursements as presented.

SECURITIES MONITORING (Joseph White)

Joseph White appeared before the Board on behalf of Milberg Weiss Bershad & Schulman LLP to discuss the securities monitoring and shareholder class action lawsuit service offered by the firm. He reported that the law firm was one of the largest firms in the country that continually monitors the individual securities within the Plan's investment portfolio. Mr. White reported that the securities monitoring service itself was complimentary and the Board would be provided quarterly reports on the status of class action lawsuits involving any of the securities owned by the Plan. The firm also offered shareholder class action lawsuit services on a contingency fee basis in which the firm could be retained to represent the Plan if the Board decided to pursue a class action lawsuit as lead plaintiff, but he noted that the Board was under no obligation to retain the firm. Mr. White noted that the recovery of damages was statistically higher than without the service. A question arose to the advantages of lead plaintiff and Mr. White responded that the lead plaintiff has control over the action including the choice of Attorney. Mr. White was questioned regarding the amount of the contingency fee and he responded that while the Court was the final authority in the determination of fees, the customary fee

was approximately 25%, however, the fee was also adjusted on a graduated scale based on the amount recovered. In any event, the contingency fee was negotiated prior to an action. Mr. White was questioned regarding the differences between the service offered by the firm and the service offered by Lerach Coughlin, which was a firm that was already engaged by the Board for a similar service. Mr. White explained that the two firms were the result of a split between the firm originally providing the service to the Plan and Milberg Weiss Bershad & Schulman LLP offered more detailed analysis and frequent reporting to the Board regarding the status of class action lawsuits.

Mr. White departed the meeting.

The Board discussed the service offered by Milberg Weiss Bershad & Schulman LLP. It was noted that the securities monitoring service was complimentary and multiple firms could be engaged to provide this service to the Plan simultaneously. In the event the Board decided to pursue a class action lawsuit as lead plaintiff, a decision could then be made regarding which firm to retain to represent the Plan. It was noted that the Board would likely benefit from the additional analysis and superior reporting offered by the firm. A motion was made, seconded, and passed 3-0 to engage the service of Milberg Weiss Bershad & Schulman LLP.

BENEFIT APPROVALS

The Trustees reviewed the list of benefit approvals provided by the Administrator. A question arose regarding the share account distribution to Jason Strong. It was noted that Mr. Strong separated from service prior to being vested and therefore not eligible for a distribution of his share account. Scott Baur noted that the list of benefit approvals was incorrect, Mr. Strong was in fact not eligible for a share account distribution, and his share account balance would be reallocated. A motion was made, seconded, and passed 3-0 to approve the remaining benefits as presented.

ATTORNEY REPORT (Bonni Jensen)

Bonnie Jensen reported that the proposed Special Act, HB 777, had been presented to the local government council. She noted that the legislative process so far this year is behind in schedule compared to prior submissions by the Pension Fund in recent years.

Ms. Jensen reported difficulty with the reproduction of the revised Summary Plan Description. She explained that the reduction of the document from a letter sized document to a smaller size to fit the traditional binders was impossible and either the document must be retyped to a smaller size or provided as is in a full sized binder to the Participants. The Board discussed the reproduction of the Summary Plan Description and a motion was made, seconded, and passed 3-0 to reproduce the Summary Plan Description as is and distributed in a full sized binder.

Ms. Jensen provided the Board with updates to the Trustee handbooks. She provided and subsequently discussed a revised Trustee Travel Expense Form. A discussion arose regarding the claiming of the daily meal allowance on the revised Form and Ms. Jensen agreed to revise the Form pursuant to the recommendations of the Board.

ADMINISTRATIVE REPORT (Scott Baur)

Scott Baur reported Tom Shepard's term as Trustee expires June 30, 2005; therefore, the Administrator would hold an election. Mr. Shepard provided notification of his willingness to be reappointed for another term.

Mr. Baur was questioned regarding the previously discussed erroneous payroll deductions for employee pension contributions and Mr. Baur reported that the matter was being addressed, however, was not yet resolved.

OTHER BUSINESS

David Merrell discussed information regarding investments attained at the FPPTA continuing education trip to New York City. He reported that information had been received indicating that the optimal blend of investment styles was 50% growth and 50% value. Information had been also provided regarding rebalancing and a recommendation was made that Plans only reallocate 50% of the excess beyond the target allocation. He discussed the Plan's limitation to foreign equities noting that only 21% of all equities were actually American stocks. Mr. Merrell reported that it was brought to his attention that hedge funds were usually subject to high management fees. He reported learning that the SEC was considering the implementation of e-trading, which reduces trading costs to one cent a share, however, there were many hurdles preventing the immediate implementation of e-trading. Mr. Merrell agreed to discuss the information received with Mike Calloway at a future meeting.

Tom Sheppard reported that Participants Robert Brooks and Ron Ferguson might submit Applications for disability benefits under the Plan. Mr. Shepard reported that Mr. Brooks was deliberating submitting an Application. Mr. Shepard noted that his eligibility for benefits might be affected by termination by the City. Bonnie Jensen advised that she was unable to provide Mr. Brooks with legal advice regarding the matter. The Board decided that Mr. Brooks should be advised to seek legal council regarding the matter.

Tom Sheppard announced that Participant Rick Taylor was called for armed forces duty and was sent to Iraq for possibly up to a seven-month period. Bonnie Jensen noted that Mr. Taylor's service credit would continue to accrue. A question arose whether Mr. Taylor would be eligible for disability benefits under the Plan if injured overseas. Ms. Jensen advised that the Special Act specifically prohibited the payment of disability benefits for disease or injury arising from service in the armed forces.

Tom Shepard announced that the State of California had considered the termination of defined benefit Plans and requested the Administrator and Attorney to keep the Board apprised of developments in the matter.

Tom Shepard updated the Board on the status of the retirement dinner. He reported that the actual cost per person was \$52, not \$50 as had been anticipated. He noted that only 170 persons had confirmed their attendance versus the 360 persons that had originally been anticipated to attend and the contract for catering was based upon 360 persons. He

advised that the cost of the live band was \$2,200, which was discounted for the group. He also noted that the caterer would provide the decorations. Mr. Shepard announced that the Investment Managers had been approached requesting donations and reported that Davis, Hamilton, Jackson, and Associates and also Boston Company had provided door prizes. He informed the Trustees that the Muscular Dystrophy Association provided items for auction to benefit the MDA, while other donated items would be auctioned to benefit of a firefighter whose home had been severely damaged by the recent hurricanes. He questioned Bonnie Jensen whether any conflict existed in the holding of an auction for the benefit of the firefighter. Ms. Jensen advised that because the auction would not offset any costs associated with the retirement dinner, the auction did not present a conflict.

David Merrell announced that he would not be able to attend the next Board meeting.

There being no further business and the next meeting having been scheduled for Thursday, May 5, 2005 at 1:30 PM, the meeting was adjourned at 3:31 PM.

Respectfully submitted,

Tom Sheppard, Secretary