

***West Palm Beach Firefighters Pension Fund***  
**MINUTES OF MEETING HELD**  
**June 1, 2006**

The meeting was called to order at 1:45 P.M. in the Third Floor Conference Room at Station 1, 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

**TRUSTEES**

Tom Harris  
Tom Sheppard, Secretary  
Matt Young

**OTHERS**

Bonni Jensen, Hanson, Perry, & Jensen  
Scott Baur, Denise Clougherty, Pension Resource Center  
Brad Armstrong, Gabriel, Roeder, Smith & Company  
Tom Foster, Retiree

**Minutes**

The Board reviewed the Minutes from the meeting of April 6, 2006 and a motion was made by Matt Young to approve the minutes of April 6, 2006 as amended. The motion was seconded and carried 3-0.

**Financial Statements**

The Board reviewed the financial statements for the period ending April 30, 2006. There was a brief discussion on the city contributions. There was a motion to receive and file the financial statements. The motion was seconded and carried 3-0.

**Disbursements**

The Board reviewed the list of disbursements for the month of May, 2006 and a motion was made by Tom Harris to approve the disbursements for May 2006. The motion was seconded and carried 3-0.

**Benefit Approvals**

Deferred to the next meeting of July 6, 2006.

**Annual Actuarial Report, Brad Armstrong**

Brad Armstrong appeared before the Board to present the Annual Actuarial Report as of September 30, 2005. Mr. Armstrong reports that the fund is progressing as he had expected. The City contribution is at 30.96% of payroll for 2006, compared to 29.91% of payroll for the current fiscal year. The City competed the use of the credit last year and in dollar amounts that comes to \$3,837,343, which is up from \$3,281,799 for last year. Mr. Armstrong pointed out that if the City pays their contribution by October 1, 2006, the contribution decreases to \$3,688,219. Mr. Armstrong noted that the plan has recognized their final year of losses from 2000-2002, based on a 4-year smoothing. Tom Harris

inquired about the amount of City contribution, since contribution increased only 1% and payroll by only 5% but proportionately, the City contribution increased by more than 10%. Mr. Armstrong explained that the increase included projected increases to payroll, while prior years did not. Brad reviewed progress toward payment of supplemental distribution. He then reviewed funding progress. Funded ratio increased from 68.5% to 68.9%. He further discussed Gam 83 Mortality Table, and he suggested that the Division of Retirement might ultimately require the plan to update mortality, which would increase contributions. He did not, however, recommend an experience study at this time. The current mortality experience matches the actual experience very closely.

#### **Attorney Report: Bonni Jensen**

Ms. Jensen discussed the Oppenheimer response and reported that it had been reviewed by Mike Callaway and he estimates \$33,500 time value of money. A motion was made by Tom Sheppard to direct Bonni to negotiate with Oppenheimer and get as much of the \$3,500 as possible. The motion was seconded and carried 3-0.

Ms. Jensen further reported that the Boston Company has hired Electra Information Systems to do their record keeping. They will require access to Salem Trust's information on the plan. A motion was made to approve Electra Information Systems to be allowed access to the fund's account. The motion also includes the assurance that the Board will be notified if Electra ever terminates their relationship with Salem Trust. The motion was seconded and carried 3-0.

Ms. Jensen advised the Board of the indictment of the principals of the Milberg, Weiss firm. Mr. Joe White, who has left the firm, would like to appear before the Board at their next regularly scheduled meeting. The Board agreed to invite Mr. White to the July 6, 2006 meeting. A motion was made to terminate the relationship with Milberg Weiss. The motion was seconded and carried 3-0. Ms. Jensen advised that Maya Saxena and Joe White would like to continue monitoring the arrangement on behalf of Saxena White.

There was discussion on the contract with JPMorgan. Ms. Jensen provided a copy of the letter she sent to JPMorgan regarding the guidelines in their contract. She advised that they would not be following the plan's IPG, they have their own; she requested they accept fiduciary liability of the plan; they will use soft dollars, there are no fees on debt, will pay out of pocket expenses, no guarantee on future performance and no liability or responsibility on selection. Funding is expected in December 2006 or January 1, 2007. She is still negotiating with them.

#### **Administrative Report: Denise Clougherty**

Ms. Clougherty reported on the new hire process. Apparently, the City does not advise the plan when a new hire has dropped out of the process, or does not actually start employment with the fire department. Tom Sheppard noted that members do not sign waivers before starting work. He suggested we provide a letter of notice during new hire meetings to make sure that notification was provided. Tom Harris suggested the City not allow members to start working prior to signing the acknowledgement. Bonni Jensen

will set up a meeting with the City staff so they recognize the importance of this procedure, which costs the fund additional money unnecessarily.

Being no other business, and the next meeting having been set for July 6, 2006, the meeting was adjourned at 3:25 p.m.

Respectfully Submitted,

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Tom Sheppard

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Date