

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
January 4, 2007

Chairperson Dorritt Miller called the meeting to order at 1:34 P.M. in the Third Floor Conference Room at Station 1, 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

TRUSTEES

Dorritt Miller
Rick Dorey
Tom Sheppard
Matt Young
Tom Harris

OTHERS

Bonni Jensen, Hanson, Perry, & Jensen
Denise Clougherty of Pension Resource Center
Tom Foster, Retiree
Richard Cristini, Jeanine Bittinger; Davidson, Jamieson & Cristini

APPROVAL OF MINUTES

The Trustees reviewed the minutes for the meeting of December 7, 2006. Minor changes on page two were given to the Administrator by the fund's attorney. A motion was made by Matt Young to approve the Minutes of December 7, 2006 as amended. The motion was seconded and carried 4-0.

Tom Harris joined the meeting.

PLAN FINANCIALS

The Trustees reviewed the unaudited plan financials provided by the Administrator.

DISBURSEMENTS

A motion was made by Tom Sheppard to approve the disbursements presented by the Administrator. The motion was seconded and carried 5-0.

BENEFIT APPROVALS

The Administrator advised the Board that there were no benefit applications to submit.

AUDIT PRESENTATION

Richard Cristini of Davidson, Jamieson & Cristini

Mr. Richard Cristini appeared before the Board to present the 2006 Audit for the fund. Mr. Cristini reported that his firm found no material weakness or significant deficiencies and his firm's opinion is that the financial statements for the fund present fairly, in all material respects, the plan net assets of the West Palm Beach Firefighters' Pension Fund as of September 30, 2006 and 2005 and the changes in plan net assets for the years then ended in conformity with generally accepted accounting principles.

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The Board briefly discussed the internal controls and procedures of the Administrator, Pension Resource Center, and Mr. Cristini agreed to provide his opinion on the document to the Board of Trustees, and report back as to whether it reflects what he and his firm deem to be appropriate.

Mr. Cristini discussed Drop Loans Receivables with the Board and the Board will discuss this issue further with Mr. Baur at next month's meeting. Mr. Cristini discussed investments of the fund at fair value, noting that the fair value of investments has gone down. He further reported that the net increase was not as high as the previous year, but remarked that was not uncommon. Mr. Cristini added that the fair value of investments could be reviewed on page 16 of the audit. Mr. Cristini and the Trustees also engaged in discussion and explanation of the PIMCO over-billing issue of 2006 for clarification to the newly elected Trustee. Mr. Cristini reported the net plan assets are \$108 million.

The Board requested the administrator follow-up on their request that the custodian change from settlement-date basis. A motion was made by Tom Harris to authorize the administrator to direct Salem Trust to change to trade-date basis instead of settlement-date basis. The motion was seconded and carried 5-0.

Mr. Cristini concluded his report of the Audit 2006 and advised the Board he would send his opinion on Pension Resource Center's Internal Controls and Procedures. A motion was made by Tom Harris to accept and approve the Audit 2006. The motion was seconded and carried 5-0. The Trustees thanked Mr. Cristini for his presentation.

ATTORNEY'S REPORT

Bonni Jensen: Hanson, Perry & Jensen

Ms. Jensen advised the Board that a group of new hires began working prior to Dr. Lamelas reporting his findings of the pre-employment physicals. Dr. Lamelas sent his report on these new hires on December 26, 2006, noting that some of the physicals were not completed. Based on the report from Dr. Lamelas, the acknowledgement and waivers will be sent out from her office this week. The Board requested that the Administrator review the checklist of required tests prior to sending the records to Dr. Lamelas. It was noted that a new group of new hires will begin working on February 5, 2007 and some of them have already had their pre-employment physical records sent to Dr. Lamelas for his review. The Board requested the Administrator give Dr. Lamelas a time-certain, such as one week, to complete his review of these records.

Ms. Jensen gave the Board an update on the Special Act Amendment. The bargaining unit has a contract for ratification by the members on January 9, 2007. The changes to the Amendment have already been sent to legal and as of yet, no response has been received, but Ms. Jensen advised the City Commission will be meeting on January 18, 2007.

Ms. Jensen informed the Board that the Krispy Kreme litigation has been settled and she will be following up with counsel for more detailed information on the settlement.

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Ms. Jensen has been in touch with Brad Armstrong, the actuary, and he will be proceeding with an update of the Summary Plan Description.

Ms. Jensen received a telephone call from Brad Goldman of Oppenheimer in regards to the PIMCO Total Return fund and Mr. Goldman advises that he would like to offer the fund the opportunity to enter in to a side letter agreement moving from the Total Return fund to the Total Return II Clone fund. She indicated that he seemed interested in keeping the business of the Board and was willing to take this avenue to keep the business of the fund. The Board expressed that they would like this offer to go to Mike Callaway for his input, prior to making a decision. Ms. Jensen agreed to contact Mr. Callaway, who will be attending the February 1, 2007 meeting.

Ms. Jensen further advised that as a follow up to last month's meeting, she has updated the BackDROP and Share Distribution policy. The Board agreed that it requires further clarification with regards to open enrollment periods and Ms. Jensen will bring it back to the Board at next month's meeting.

The Trustees and Ms. Jensen discussed the Pension Protection Act of 2006 and the age 50 change for lump sum distributions. It is her interpretation that you do not "grow" into the age qualification, but you must retire at the age of 50 or in the year you turn age 50.

OTHER BUSINESS

Rick Dorey addressed the Board with the possibility of hosting another Retirement Dinner for retirees. The last Retirement Dinner was in 2005. The Board decided to forego voting on a policy or procedure for a Retirement Dinner but agreed to go forward with the plans. The dinner will be scheduled for some time in April 2007. The Administrator will give the breakdown of costs of the last dinner to the Trustees so that they can come up with a budget. Tom Sheppard advised the Trustees that the police and firefighters are looking into the possibility of doing an Annual Police and Firefighters Ball, as well.

Tom Sheppard addressed the Board and Board Counsel with the issue of Leonard Smith's application for disability benefits from the pension fund. During this time of discovery and 'waiting' Mr. Smith is not being covered under his regular health insurance, as he was terminated by the city; he is also not eligible to be covered under retiree health insurance as he is not a retiree. The Board discussed some of the possibilities of preventing other firefighters from being caught in this gap.

PUBLIC COMMENTS

There being no further business and the next meeting having been scheduled for February 1, 2007, the meeting was adjourned at 3:35 p.m.

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Tom Sheppard, Secretary