

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND**  
**MINUTES OF MEETING HELD**  
**November 6, 2008**

Chairperson Dorritt Miller called the meeting to order at 1:36 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  
Tom Sheppard  
Matt Young (1:44PM)  
Randy Sherman  
Rick Dorey

**OTHERS**

Bonni Jensen – Hanson, Perry & Jensen  
Scott Baur – Tegrit Plan Administrator  
Dixie Martinez – Tegrit Plan Administrator  
Mike Welker – The Bogdahn Group  
Tom Scerbo – Oppenheimer Capital  
Chris Gross – Institutional Liability Management  
Jim Comstock - Institutional Liability Management  
Fabien Labouret – BNP Paribas  
Chris Pochart – BNP Paribas

**PUBLIC COMMENTS**

N/A

**INVESTMENT MANAGER REPORT – OPPENHEIMER CAPITAL / PIMCO  
(PRESENTED BY TOM SCERBO)**

Mr. Scerbo reviewed the funds performance for the quarter ending September 30, 2008. They underperformed the benchmark at -3.8% versus -0.5%, and the market value is at \$26,375,941. He explained that the financial system started to deleverage in the third quarter due to losses in assets. Mr. Scerbo commented that one money market fund broke \$1, and then the Government implemented “TARP” (Troubled Asset Relief Program). He stated that funds that were held in CitiGroup, AIG, Lehman and Morgan Stanley accounts were accounts that had assistance from TARP.

Mr. Scerbo explained that the portfolio was heavily over weighted in mortgages compared to the benchmark because they can see the opportunity in undervalued securities. He also stated that the financial holdings were responsible for the relative under performance. Right now we are seeing a slower economy with greater pressures on the consumer and corporate profits.

**INVESTMENT CONSULTANT REPORT – THE BOGDAHN GROUP  
(PRESENTED BY MIKE WELKER)**

Mr. Welker reviewed the current market environment. He also reviewed the funds asset and manager allocations for the quarter ending September 30, 2008. The total fund was behind at -9.94% versus the benchmark at -6.94%. The equities were trailing behind the benchmark at -13.40% versus -10.56%, and the domestic equity also underperformed at -12.68% versus -8.73%. The assets of the fund as of September 30, 2008 are \$108,443,645. Mr. Welker then reviewed each Manager’s return for the 3<sup>rd</sup> quarter:

WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MEETING OF NOVEMBER 6<sup>th</sup>, 2008

- Alethiea – Underperformed for the quarter at -19.22% versus the benchmark at -12.33%.
- Baron Assets- Slightly beat the benchmark at -6.35 versus -6.99%.
- Boston Company- Negative for the quarter at -10.68% versus -6.11% for the benchmark.
- Fayez Sarofim- Very close to the index this quarter, but still slightly behind at -12.81% versus -12.33%.
- Thompson, Siegel, Whalmsley- Had the worst performance this quarter at -12.79% versus the target index of -1.22%.
- Euro Pacific - Was negative for the 3<sup>rd</sup> quarter, but outperformed the benchmark at -18.04% versus -20.50%.
- Templeton- Had the biggest outperformance at -15.20% versus -20.50%.
- JP Morgan- Underperformed the benchmark for the quarter at -1.20% versus -0.17%.
- PIMCO- Performance for the quarter was negative at -3.82% versus -0.29%.

Mr. Welker explained that he is working on lowering the volatility and keeping strong returns. He recommended to the board that Thompson, Siegel & Walmsley should attend the next meeting.

**INVESTMENT MANAGER PRESENTATION – INSTITUTE LIABILITY MANAGEMENT (PRESENTED BY CHRIS GROSS & JIM COMSTOCK) & BNP PARIBAS (PRESENTED BY CHRIS POCHART & FABIEN LABOURET)**

Ms. Jensen advised the board about an article in Time Magazine regarding BNP and investments in Iraq. Mr. Pochart reported that they had an 8 year CD and all CD's are 100% principal protected if held to maturity. They are FDIC Insured and have an annual coupon in which Mr. Pochart explained. He also reviewed and gave a hypothetical situation of their 8 year CD and how it works.

Mr. Pochart commented that they go against a long/short style excess return index and described the allocation process they go through. He also gave some examples of benefits that they offer to a fund.

Lastly, Mr. Pochart reviewed and explained some charts that showed their firms consistent historical returns.

**APPROVAL OF MINUTES**

The Board reviewed the minutes of the October 2, 2008 regular meeting.

*A motion was made by Randy Sherman to approve the minutes of the October 2, 2008 regular meeting as amended. The motion was seconded by Matt Young and carried 5-0.*

**REPORTING OF PLAN FINANCIALS**

The Administrator provided the Board with an unaudited Financial Statement along with the Income and Expense report for the month of September again.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MEETING OF NOVEMBER 6<sup>th</sup>, 2008

**DISBURSEMENTS**

The Board reviewed the disbursements presented for approval by the Administrator.

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

**BOARD DISCUSSION:**

The board had a brief discussion on William Cejmer who will be retiring at the end of November.

**ATTORNEY'S REPORT: HANSON, PERRY & JENSEN (PRESENTED BY: BONNI JENSEN)**

Ms. Jensen explained that the back-DROP account can accept after tax contributions with a limit of \$46,000. She stated that the board will have to adopt a policy to recognize the 415 contribution limits.

The board also discussed the in service distributions from members 457 accounts. Mr. Baur commented that active members should not be taking distributions from their 457 account until they are separated from service.

Ms. Jensen commented that the bank must complete the qualified public depository form before November 30, 2008.

Lastly, Ms. Jensen reviewed the policy regarding Supplemental Distributions with the board. The board had a discussion on the language and the procedures in the policy.

*A motion was made by Matt Young to approve the policy regarding Supplemental Distributions. The motion was seconded by Tom Sheppard and carried 5-0.*

**ADMINISTRATOR REPORT: THE PENSION RESOURCE CENTER (PRESENTED BY: DIXIE MARTINEZ)**

N/A

**OTHER BUSINESS:**

There being no further business and the next Pension Board meeting having been scheduled for December 11, 2008, the meeting was adjourned at 5:35PM.

---

Tom Sheppard, Secretary