

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
JUNE 11, 2009

Chair Dorritt Miller called the meeting to order at 1:30 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, Chair
Tom Sheppard, Secretary
Rick Dorey, Trustee
Randy Sherman, Trustee
Matt Young, Trustee

OTHERS

Bonni Jensen – The Law Offices of Perry & Jensen
Audrey Ross – Resource Centers
Troy Brown – The Bogdahn Group
Brian Walker – City of WPB Firefighter
Todd Barney –Aletheia Research
(Joined via teleconference)

PUBLIC COMMENTS

N/A

INVESTMENT MANAGER REPORT – ALETHEIA RESEARCH (PRESENTED BY: TODD BARNEY – JOINED VIA TELECONFERENCE)

Mr. Barney introduced himself to the board and stated that he is the Vice President of Institutional Sales at Aletheia. He also gave an updated on the firm changes. He stated that Chad Cook and some other employees left the company. He explained that the changes were made because the owners took a look at the overall firm and decided to make their main concern an investment boutique. In the meantime, Aletheia has brought on some new employees to build up their client servicing and research areas. There are now a total of 23 staff members with another 4 joining within the next 12 months. In addition to the new staff members, they have also updated their technology systems that will give them better access to research. Mr. Brown asked how the day to day portfolio structure has been going with all the new members they added with the mix of the old employees. Mr. Barney commented that the Peter still makes the final decision, but this opportunity gives them a chance to have more diversification with in the team, research and ideas. Mr. Brown commented that he wanted to make sure that their will be more reinsurance to the board that things won't change, such as performances since there has been a lot of changes recently.

Mr. Barney reviewed the funds performance. For the quarter ending March 31, 2009 the fund was behind the target index at -7.13% versus -4.12%. He commented that about 90% of the underperformance happened in October alone. During the down time they were over weighted in materials which really hurt them. When they reviewed the portfolio they looked at every stock that they held and re-reviewed their background. Mr. Barney explained that for a short time they had high quality names in the portfolio that underperformed, which was also a major detractor from the performance. He stated that going forward they are finding stocks that would put together a great portfolio without really changing their investment philosophy.

INVESTMENT CONSULTANT REPORT – THE BOGDAHN GROUP (PRESENTED BY TROY BROWN)

Mr. Brown gave the board a brief updated on the fund and the managers since March 31, 2009. He reported that JP Morgan is the only manager that is currently underperforming. Also, BNP is up 1.5% since inception and they will receive a positive coupon from that. Lastly, he stated that SunTrust Bank is no longer selling CD's externally, but this fund is locked in. Mr. Brown commented that he tried to get an explanation from SunTrust Bank as to why they are no longer selling external CD's, but SunTrust did not respond. Mr. Brown mentioned that this fund is the only client of BNP's that did this type of investment.

TALF UPDATE

Mr. Brown updated the board on some of the changes regarding the TALF program. He stated that he does not think a lot of people are going through with this program because of the documentation. PIMCO raised \$700M last month for this program, so they are going to cap it off. He explained that the fund is limited to 5% of the portfolio which would be about \$5M, and this product is a private equity structure where all investors go in with the same amount. Also, Mr. Brown informed the board that they will have to pay the investors interest (3.25%) for the first 45 days; therefore if the board invests \$5M then they will have to pay an additional \$4,000 in interest. The program is trying to cap this product so they can keep the rate of return at 15%. He stated that if the board moves forward with this program then they will be part of the subsequent closing for June 30, 2009.

Ms. Jensen commented that she reviewed all the documents and passed out a memo that summarizes what she reviewed. She explained the TALF program and how it works from beginning to end and also the pros and cons of this investment.

The board decided to move forward per their motion at the last meeting. Mr. Brown briefly commented that he views this as a unique opportunity and only trusts PIMCO as the monitor for this investment.

A motion was made by Tom Sheppard to fund the TALF program by raising \$5M in accordance to the Investment Policy Guidelines. The motion was seconded by Matt Young and carried 5-0.

Ms. Jensen reviewed the documents and agreements that have to be signed in order to invest in the TALF program. She also mentioned that they can add a side letter which will include the provisions that they offer the other clients as well.

APPROVAL OF MINUTES

The Board reviewed the minutes of the May 14, 2009 regular meeting.

A motion was made by Randy Sherman to approve the minutes of the May 14, 2009 regular meeting as amended. The motion was seconded by Rick Dorey and carried 5-0.

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 Randy Sherman and carried 5-0.

BENEFIT APPROVALS

The Board reviewed the application for a DROP loan for Will Serey, the application for retirement for Mike Wennergren, the applications for distribution of share account for George May and Mike Wennergren and the applications for distribution of DROP account (after tax money) for Matt Young and Tom Foster.

A motion was made by Tom Sheppard to approve the application for a DROP loan for Will Serey. The motion was seconded by Rick Dorey and carried 5-0.

A motion was made by Tom Sheppard to approve the application for retirement for Mike Wennergren. The motion was seconded by Rick Dorey and carried 5-0.

A motion was made by Tom Sheppard to approve the applications for distribution of share account for George May and Mike Wennergren. The motion was seconded by Rick Dorey and carried 5-0.

A motion was made by Tom Sheppard to approve the applications for distribution of DROP account (after tax money) for Matt Young and Tom Foster. The motion was seconded by Randy Sherman and carried 4-0 (Matt Young abstained from this vote).

REPORTING OF PLAN FINANCIALS

The Administrator provided the Board with an unaudited financial statement and an income and expense report for review through the month of April 2009.

The Board received and filed the un-audited financial statements through the month of April 2009.

ATTORNEY'S REPORT: THE LAW OFFICES OF PERRY & JENSEN (PRESENTED BY: BONNI JENSEN)

Ms. Jensen reviewed the declaration for Dorritt Miller regarding Healthways.

A motion was made by Tom Sheppard to execute the Healthways declaration. The motion was seconded by Randy Sherman and carried 5-0.

Ms. Jensen reported that the Annual Report has not been sent into the State yet, but it is on its way to the Resource Centers from the Auditors to be executed by the board.

Ms. Jensen briefly reviewed the State law that has changed (Senate Bill 538). Mr. Brown explained his thoughts on the changes and stated that he will be going over the new Investment Policy Guidelines at the next meeting to reflect the international allocation increase to 25%.

Ms. Jensen updated the board on Robin Magleora's disability case. Dr. Zahn did review all the medical records and Dr. Rochamn wrote a letter stating the Ms. Magleora is permanently disabled. Although, Dr. Zahn is having a hard time determining a final answer so Ms. Jensen suggested that the board should look for an outside Orthopedic for Ms. Magleora to visit. Mr. Sheppard stated that Dr. Zahn should be making the recommendation as to whether or not she thinks Ms. Magleora should see an outside doctor or not. Ms. Jensen commented that she will contact Dr. Zahn to see what her recommendation is.

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Lastly, Ms. Jensen updated the board that Mike Callaway from Merrill Lynch has settled his case and is moving on.

**ADMINISTRATOR REPORT: TEGRIT PLAN ADMINISTRATORS (PRESENTED
BY: AUDREY ROSS)**

N/A

OTHER BUSINESS:

There being no further business and the next Pension Board meeting having been scheduled for August 13, 2009, the meeting adjourned at 4:15PM. *(Note the July meeting is canceled)

Tom Sheppard, Secretary