

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
SEPTEMBER 10, 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
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
John Ferguson, City of WPB Firefighter
David Kaplan, Baron Capital
Troy Brown – The Bogdahn Group

PUBLIC COMMENTS

Ms. Ross explained that the notice of election was faxed to all the fire stations but she does not think they were correctly posted. Because of that a member responded past the deadline. The board had a discussion about the election procedures and concluded that we should reopen the nomination period. The board directed Ms. Ross to send the notice of election via email to the Fire Chief and he will then distribute all the notices to the fire stations. Also the nomination period will be open for 30 days.

INVESTMENT MANAGER PRESENTATION – BARON CAPITAL (PRESENTED BY: DAVID KAPLAN)

Mr. Kaplan introduced himself to the board and reviewed the firm's investment philosophy. He stated that they are long term investors and that the board hired them to buy small growth companies. Mr. Kaplan commented that all their research is done independently and explained that price does matter because you have to be cautious on what price you are paying for stocks. He reported that the turnover for this portfolio is about 14%, and on an average they own stocks for about 7 years.

Mr. Kaplan reviewed the funds short term and long term returns. For the year to date they have out performed the benchmark at 27.85% versus 21.17%, and for the quarter to date they have also outperformed at 11.08% versus the benchmark at 8.81%. He commented that they added about 400 basis points per year above the benchmark. Mr. Kaplan then reviewed the funds performance as of August 31, 2009. There are 67 holdings with a market value of \$6.7M. He stated that they do not look at sectors when creating portfolios because if they do not like something they will get rid of it instead of lowering the allocation. Mr. Kaplan reviewed the sector allocation and commented that they get good performance from consumer discretionary. He reviewed the biggest contributors to the portfolio and stated that they cap each sector off at 5%.

Lastly, Mr. Kaplan reviewed the firms research team and stated that 2 analysts have left within the last year, but they have added 8 new members. He commented that revenues are down and margins are doing well, but they still have a lot of growth.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF SEPTEMBER 10, 2009

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

Mr. Brown briefly reviewed the funds performance for July and August and stated that for the fiscal year to date they are still behind at -3.8%. He stated that the fund will need 4.3% to be at zero for the end of the fiscal year.

Mr. Brown commented that they funded the TALF program with \$3M and that the Government has extended the program through March 2010. He stated that the fund will start receiving coupons monthly beginning January 2010. Mr. Brown reviewed with the board that they are only paying fees on \$750,000 because that is the amount that was invested. Also, they will have a diluted return for this fund because the money that is not working is being held in a money market account earning less than 1%. He also explained that this fund used the offshore account (UBIT BLOCKER) to fund the program.

Mr. Brown reviewed the items that he will be revising in the Investment Policy Guidelines (IPG). He stated that he is going to add the TALF program and the scrutinized company list. He commented that some of the managers have companies in their portfolio that are on the scrutinized list and they are aware of that. The managers will have to get rid of those companies by January 1, 2010. Also, he will be adding the change for the 25% allocation to international even though it is different for each manager, but that will be reflected in their addendums.

Mr. Brown reviewed the JP Morgan queue and stated that they have a 90% occupancy level. He commented that JP Morgan still owes the board a list of their properties. Mr. Brown's recommendation to the board is stay in the queue because they already have about 15% of the portfolio locked up.

Lastly, Mr. Brown reported that the fund received their Chapter 175 money and he recommends keeping it in the receipt and disbursement (R&D) account to pay for the October 1, 2009 benefit payments and distributions.

APPROVAL OF MINUTES

The Board reviewed the minutes of the August 13, 2009 regular meeting.

A motion was made by Randy Sherman to approve the minutes of the August 13, 2009 regular meeting as amended. The motion was seconded by Rick Dorey and carried 4-0.

DISBURSEMENTS

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

A motion was made by Randy Sherman to approve the disbursements that were presented by the Administrator. The motion was seconded by Matt Young and carried 4-0.

BENEFIT APPROVALS

The Board reviewed the application for a duty disability retirement for Robin Mageleora, applications for distribution of DROP account for David Abdo, Don Triana, Douglas Heller, George Hannah, Patrick Morris, Robert Henderson, Steven Barnard and Thomas Foster and applications for distribution of share account for Dennis Whithington, Gary Tassin, Glenn Hetchler, John Boccanfuso, Larry West, Marc Leatherwood, Steven Barnard and William Stephens.

A motion was made by Randy Sherman to approve the application for a duty disability retirement for Robin Magleora. The motion was seconded by Rick Dorey and carried 4-0.

A motion was made by Rick Dorey to approve the applications for distribution of DROP account for David Abdo, Don Triana, Douglas Heller, George Hannah, Patrick Morris, Robert Henderson, Steven Barnard and Thomas Foster. The motion was seconded by Matt Young and carried 4-0.

A motion was made by Rick Dorey to approve the applications for distribution of share account for Dennis Whithington, Gary Tassin, Glenn Hetchler, John Boccanfuso, Larry West, Marc Leatherwood, Steven Barnard and William Stephens as ammended. The motion was seconded by Matt Young and carried 4-0.

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 July 2009.

The board had a question in regards to account #1235 prepaid expenses. Ms. Ross stated that she will research those expenses and will follow up with the board after the meeting.

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

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

Ms. Jensen stated that Scott & Scott want to arrange a teleconference with the board in regards to being a lead plaintiff in the MGM Mirage litigation. Ms. Miller commented that she thought that the fund could only be a lead plaintiff so many times and that is why she is hesitant on acting on this offer. The board agreed to not be the lead plaintiff in this case but to still be part of the class action.

The board reviewed the revised third addendum to the administrative manager agreement.

A motion was made by Randy Sherman to approve the third addendum to the administrative manager agreement. The motion was seconded by Rick Dorey and carried 4-0.

Ms. Jensen commented that the Actuary has given the board a fee quote on the cost of the impact statement that the Union asked the pension board to complete. Ms. Miller reviewed the situation and stated that they are trying to see whether this is an appropriate pension expense or not. Ms. Jensen commented that it is a business decision that the board of Trustees will have to make. The board has to determine whether the expense is reasonable and is in the best interest of the participants and the beneficiaries. Mr. Young stated that closing the pension plan for new hires would have an impact on the pension board and also it would stop the 175 money. The board had a lengthy discussion and gave their opinions.

A motion was made by Randy Sherman to deny the request from the Union in regards to the pension board doing an actuarial impact statement for the

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF SEPTEMBER 10, 2009

City's proposal to close the pension plan for new hires. The motion was not seconded and failed.

A motion was made by Dorritt Miller to grant permission for the Union to use the pension funds Actuary to do the study in regards to closing the pension plan for new hires, but the pension plan will not pay for it. The motion was seconded by Randy Sherman but failed 2-2.

Lastly, Ms. Jensen stated that she received a phone call from Joe White with Sexena White regarding the Odyssey Re Holding Corp. She explained that the majority owners are buying out the minority owners and they do not think the price is right. Ms. Jensen explained that in this case the point would not to be the lead plaintiff, but to increase the buyout price as this fund is a minority owner. This is not a class action case and it would be filled as a derivative. The board had a discussion and chose to take no action.

ADMINISTRATOR REPORT: RESOURCE CENTERS (PRESENTED BY: AUDREY ROSS)

Ms. Ross presented to the board the impact statement completed by the Actuary in regards to allowing retirees to change their joint annuitants or beneficiaries.

OTHER BUSINESS:

There being no further business and the next Pension Board meeting having been scheduled for October 8, 2009, the meeting adjourned at 3:25PM.

Tom Sheppard, Secretary