

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
OCTOBER 8, 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
Randy Sherman, Trustee
Matt Young, Trustee
Rick Dorey, 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
Tom Foster, City of WPB Firefighter (Retiree)
Tracy Musser, Thompson, Siegel & Walmsley
Phillip Webb – City of WPB Firefighter (Chief)

PUBLIC COMMENTS

N/A

INVESTMENT MANAGER PRESENTATION – TSW: THOMPSON, SEIGEL & WALMSLEY (PRESENTED BY: TRACY MUSSER)

Ms. Musser gave the Board an update on the firm and stated that they are currently in a hiring freeze but they have not lost any Employees. The equity ownership within the firm has increased with 24 of the 75 employees' buying into the firm. The firm's assets as of September 30, 2009 have increased to \$7B and there has been no change to the funds portfolio team.

Ms. Musser reviewed the fund's account balance and performance for the quarter ending June 30, 2009. There is \$5.4M in assets; however they are lagging the benchmark at 14.32% versus 18.76%. She commented that the fund is in line with the benchmark in regards to the portfolio characteristics. Ms. Musser explained that they have not added or deleted any positions from the portfolio, but they have added or deleted within their current stocks. She reviewed the benchmark sectors and stated that the fund is almost a mirror image of those sectors and explained why they do this.

Ms. Musser reported the top five attributions in the last quarter and stated that technology and healthcare have done very well. She stated that they don't invest in high debt level companies. The trend lately is that the companies that were not performing well in the past six months are now starting to do better. Ms. Musser shared her thoughts on the future and commented that things are improving but not as quickly as everyone has wanted them to. She still thinks there is still some downward motion to happen in the commercial real estate. Mr. Young asked Ms. Musser's opinion on the healthcare and what is currently going on with the Feds. Ms. Musser replied that she is not sure as far as administratively, but as for the facilities it is a good investment.

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

Mr. Brown reviewed the revised investment policy guidelines. He commented that he sent it to all the managers in advance for their comments or questions. Mr. Brown explained that he added the language in regarding scrutinized companies and also the new 20% allocation to international. He explained the process that the managers who do have companies in their portfolio who are on the scrutinized list will have to go through to divest of them. Mr. Brown stated that all the provisions of the existing policy are still included but just in a different format. The board had a question in regards to the compliance of the fund. Mr. Brown commented that he took the language directly from the State Statute. Mr. Sheppard explained that he thinks any new Trustee should be CPPT certified and that all Trustees' should attend at least one conference per year. The board had a lengthy discussion on this topic and Mr. Sheppard stated that he would like this language to be added into the investment policy guidelines.

A motion was made by Tom Sheppard to approve that all new Trustees are required to become CPPT certified within their first term and if not they recommend that the Trustee be reappointed, also all current Trustees are required to attend once Florida conference per year . The motion was seconded by Rick Dorey and carried 4-1.

A motion was made by Tom Sheppard to approve the amended investment policy guidelines as presented by the Investment Consultant. The motion was seconded by Matt Young and carried 4-1.

Mr. Brown briefly reviewed the performance as of September 30, 2009 (which does not include any accruals). He stated that the fund has invested \$1.25M with the PIMCO TALF fund which will retro back to September 30, 2009. Mr. Brown recommended staying in the queue with JP Morgan and to allocate the portion of money that we already received from JP Morgan to Oppenheimer.

A motion was made by Matt Young to allocate the money that was received by JP Morgan to Oppenheimer. The motion was seconded by Tom Sheppard and carried 5-0.

APPROVAL OF MINUTES

The Board reviewed the minutes of the September 10, 2009 regular meeting.

A motion was made by Tom Sheppard to approve the minutes of the September 10, 2009 regular meeting. 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 Matt Young and carried 5-0.

BENEFIT APPROVALS

The Board reviewed the application for DROP loan for Leon Miller and the application for the hardship withdrawal from the DROP and share account for Richard Roberts.

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The board had a lengthy discussion on the hardship withdrawals and reviewed the member's letter that he wrote to the board explaining his hardship. Ms. Jensen reminded the board that the fund does have a hardship withdrawal clause in their policy, but really it is the boards discretionary.

A motion was made by Matt Young to approve the application for a hardship withdrawal from the DROP and share account for Richard Roberts. The motion died for a lack of a second.

A motion was made by Randy Sherman to deny the application for a hardship withdrawal from the DROP and share account for Richard Roberts. The motion was seconded by Dorritt Miller and carried 4-1.

A motion was made by Tom Sheppard to approve the application for a DROP loan for Leon Miller. 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 and an income and expense report for review through the month of August 2009.

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

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

Ms. Jensen reviewed the amendments that were made to the Restatement of the Special Act regarding the definition of a firefighter, the differential wages for military services, members who die or become disabled while serving in the military, new Trustee terms, the scrutinized company list, the changes of a joint annuitant or beneficiary, the withholding of pension benefits, the distributions of asset values and also the removal of the old DROP language.

A motion was made by Rick Dorey to approve the Restatement of the Special Act as amended. The motion was seconded by Tom Sheppard and carried 5-0.

Ms. Jensen updated the board on the Odyssey Holdings. She commented that there is nothing left to review or change, the case is over.

Ms. Jensen stated that the board was not appointed as the class representation in the Healthways case, but they are still the lead plaintiff.

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

Ms. Ross updated the board on the audit and stated that the Auditor's are scheduled to come in the first week of December to do the field work.

OTHER BUSINESS:

Chief Webb discussed with the board on possibly utilizing retirees in civilian positions in the future. He commented that the fire inspection department and the plan review department are currently filled by uniform employees. Ms. Jensen stated that this is something that would have to be bargained and the City would bring

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this issue to negotiations. The board discussed the FRS rules on this issue and retirees can do fill civilian positions but there has to be an on year gap. Ms. Jensen stated that if allowed then the plan would need to include this rehire language in Reinstatement Act.

There being no further business and the next Pension Board meeting having been scheduled for November 12, 2009, the meeting adjourned at 3:59PM.

Tom Sheppard, Secretary