

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MINUTES OF MEETING HELD  
NOVEMBER 12, 2009**

Chair Dorritt Miller called the meeting to order at 1:33 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  
Matt Young, Secretary  
Randy Sherman, Trustee  
Brian Walker, Trustee  
Rick Dorey, Trustee

**OTHERS**

Bonni Jensen, The Law Offices of Perry & Jensen  
Audrey Ross, Resource Centers  
Troy Brown, The Bogdahn Group  
Tom Foster, City of WPB Firefighter  
Tom Sheppard – City of WPB Firefighter

The Board awarded Tom Sheppard with an axe memorabilia. Mr. Sheppard has served on the Board for 10 years, and he will be retiring from the City in February of 2010 and will no longer be able to serve on the Pension Board. Brian Walker has replaced him and he was welcomed onto the Board.

**PUBLIC COMMENTS**

N/A

**OTHER BUSINESS:**

The Board moved to other business; the election of officers (appointment of Chairperson and Secretary).

***A motion was made by Matt Young to appoint Dorritt Miller as the Chairperson of the Board. The motion was seconded by Rick Dorey and carried 5-0.***

***A motion was made by Rick Dorey to appoint Matt Young as the Secretary of the Board. The motion was seconded by Randy Sherman and carried 5-0.***

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

Mr. Brown started by stating that he does not think that the Board needs to look into any further diversification within the fixed income portfolio. Mr. Brown reviewed the portfolio for the quarter ending September 30, 2009. He stated that it was a strong quarter for the equities and that the dollar value has also dropped. He briefly reviewed the current market environment and commented that the lower quality bonds had more of a return than the lower quality bonds within the quarter. Mr. Brown reported that all the value managers underperformed and all the growth managers outperformed because they were over weighted in financials, which were the best performing sector. He reported that the fund has dropped 58% from October 9, 2007 through March 9, 2009, but they have recovered about 50% of that since March 9, 2009 through September 30, 2009.

Mr. Brown reviewed the asset allocation of the portfolio as of September 30, 2009. He stated that the fund is underweighted in fixed income, but they are now inline with the policy guidelines. The balance at the beginning of the quarter was

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\$98,014,725 and the ending balance was \$108,308,140, which was a gain of \$10,293,415. He commented that he wished we could have put more into the TALF fund. They are only using \$900,000 out of the \$3M we gave them, but in March we will get back any money that was not invested. Mr. Brown explained that if everything stays as it is then the fund is estimated to get an 18% return for 3 years. Also he updated the Board on the JP Morgan queue. The queue is down to \$1.4M and they sold one property within the quarter and did not purchase anything. They currently have 7% of the portfolio in cash and they have 90% occupancy in their buildings.

The total fund for the quarter outperformed the index at 11.50% versus 11.34%, although we didn't meet the assumed rate of return for the fiscal year. Mr. Brown reviewed each manager's performance for the quarter:

- **The Boston Company (TBC)** – behind the index at 16.28% versus 18.24%. They were underweighted in financials which hurt them this quarter because financials were the leading sector.
- **Aletheia** – outperformed at 16.42% versus 13.97%. This fund will benefit from the high gold and gas prices. They were also over weighted in financials in which they benefited from as well.
- **Fayez Sarofim** – also outperformed at 14.74% versus the index at 13.97%. They were also over weighted in financials.
- **Thompson, Siegel & Whalmsley** – underperformed the index by quite a bit at 12.43% versus 22.77%, but they are still ahead for the one year. This portfolio does not have a lot of turnover and they had less exposure to financials and energy. They have about 5% in cash and they will be adding to healthcare. Their portfolio is positioned for a slow recovery.
- **Baron Assets** – slightly outperformed the index at 16.78% versus 15.95%.
- **EuroPacific Growth Fund** – underperformed by 1 basis point; 19.51% versus the index at 19.52%. This fund works very well with the Templeton fund.
- **Templeton** – this fund waits until the market does a turnaround and comes to them which helped them as they outperformed the index at 21.30% versus 19.52%.
- **Oppenheimer/PIMCO** – did a great job with a big outperformance at 7.83% versus the index at 3.74%.
- **JP Morgan** – already discussed their position and underperformed at -6.36% versus -3.32%.

Mr. Brown commented that the Spectrum CD and the PIMCO/TALF can not be measured yet since we won't get a return or a coupon until 2010.

Mr. Brown explained that the managers are not positioning their portfolio for a rapid economic growth. He commented that he feels that it would be a great idea to move more into international within the upcoming month. Being in non US dollars will be the best thing if inflation does come back. He reminded the Board that they have added \$4M to fixed income since September 30, 2009 and they will reduce the real estate allocation to 5%.

Mr. Brown reported that the fixed income had a great quarter. He stated that the expenses on the fixed income account are the same whether you go through Oppenheimer or you go directly through PIMCO. He wanted to ask the Board whether they would like to keep it the same and go through Oppenheimer or go directly through PIMCO; he was not making a recommendation. The Board discussed and stated that the reason why they went through Oppenheimer was because PIMCO does not have a fiduciary relationship with the international funds

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and Oppenheimer did. They compared the performance for the quarter between Oppenheimer and PIMCO. The Board decided that they would like to stay with Oppenheimer and not make any changes. Lastly, Mr. Sheppard made the request to have the chart that compares their fund to all the other defined benefit funds their size inserted into the report.

**APPROVAL OF MINUTES**

The Board reviewed the minutes of the October 8, 2009 regular meeting.

**A motion was made by Rick Dorey to approve the minutes of the October 8, 2009 regular meeting as amended. The motion was seconded by Matt Young and carried 5-0.**

**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 Rick Dorey and carried 5-0.**

**BENEFIT APPROVALS**

The Board reviewed the application for a DROP loan for George Hannah and the application for a refund of contributions for Rafaela De La Huerta.

**A motion was made by Rick Dorey to approve the application for a DROP loan for George Hannah. The motion was seconded by Matt Young and carried 5-0.**

**A motion was made by Rick Dorey to approve the application for a refund of contribution for Rafaela De La Huerta. The motion was seconded by Matt Young and carried 5-0.**

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

Ms. Jensen reviewed the State Law Updates memo. She explained that we no longer have to report to the State the usage of social security numbers. The pension forms will have to be updated to reflect that we will disclose their social security number.

Ms. Jensen notified the Board that she sent the revised Restatement of the Special Act to Claudia at the City and reminded her that it needs to be filed by November 25, 2009. Also she commented that the Union has agreed to waive the bargaining and the City will have to do the same, then they will send a letter together to the State.

Lastly, Ms. Jensen stated that she was contacted by Dr. Zahn because Dr. Zahn was contacted by Concentra and they were asking whether or not they would like new hires to have the H1N1 shot. There has been no outcome.

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

Ms. Ross presented the Board with the Auditing Services Agreement. The Board discussed and thought that they already signed a contract with the Auditors. Ms. Jensen explained that the document that they have here today was for accepting the Auditor's fees for the next 3 years. The Auditor can be terminated with a 30 day written notice.

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**A motion was made by Rick Dorey to approve and accept the Auditing Services Agreement for the fees over the next 3 years with Davison, Jamieson & Cristini. The motion was seconded by Matt Young and carried 5-0.**

Ms. Ross reviewed the 2010 meeting dates. The only date there was a problem with was the November 2010 meeting date which was on Veterans Day. The Trustees' stated that they will make a determination later on.

Lastly, Mr. Young commented that he received an email from a vested member who was inquiring about his benefits. Ms. Ross explained the situation with this member and stated that she is working on gathering information to be able to calculate a benefit. Mr. Dorey stated that there is an active employee who goes to lunch with some retired members on occasion and they are always inquiring on how they can find out information about the fund. The Board recommended for those retirees to attend a meeting.

There being no further business and the next Pension Board meeting having been scheduled for December 10, 2009, the meeting adjourned at 3:23PM.

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Matt Young, Secretary