

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
DECEMBER 10, 2009

Chair Dorritt Miller called the meeting to order at 1:31 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 (arrived 1:41P)
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
Jerry Naverrate, The Boston Company
Matt Hart, The Boston Company

PUBLIC COMMENTS

Mr. Sheppard briefly commented that he has not heard anything from the City in regards to any changes to the pension plan.

APPROVAL OF MINUTES

The Board reviewed the minutes of the November 12, 2009 regular meeting.

A motion was made by Matt Young to approve the minutes of the November 12, 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 Matt Young to approve the disbursements that were presented by the Administrator. The motion was seconded by Randy Sherman and carried 4-0.

BENEFIT APPROVALS

The Board reviewed the application for a distribution of DROP account (70 ½ distribution) for Phillip Dudley.

A motion was made by Rick Dorey to approve the application for a distribution of DROP account (70 ½ distribution) for Phillip Dudley. The motion was seconded by Matt Young and carried 4-0.

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

Ms. Ross presented the Board with the Fiduciary Liability Insurance Renewal which would be effective from January 1, 2010 through January 1, 2011. She explained that there has been a gap in coverage, but this rate is lower from what they were paying two years ago. Also Ms. Ross commented that she went through a different insurance company in which she works with on other plans. The previous insurance company the Board use to be with was not returning phone calls and she could not get a renewal quote from them.

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A motion was made by Rick Dorey to approve the Fiduciary Liability Insurance Renewal with ULLICO in the amount of \$18, 015.46 for the time period of January 1, 2010 through January 1, 2011. The motion was seconded by Matt Young and carried 5-0.

Ms. Ross stated that the Auditors have been in to do their field work and everything is moving along smoothly. The Auditors stated that they will provide a draft report to the City by December 15, 2009, and then will attend the Boards January 2010 meeting to present the report.

Ms. Ross briefly reviewed the Actuarial Impact Statement and Actuarial Cost Estimate that was provided by the Actuary.

Lastly, Ms. Ross stated that she had signature cards from First Southern Bank that needed to be updated to remove Mr. Sheppard as a signor on the account and to add Mr. Walker.

**INVESTMENT MANAGER REPORT – THE BOSTON COMPANY (TBC)
(PRESENTED BY: JERRY NAVERRATE & MATT HART)**

Mr. Naverrate welcomed himself back and introduced Mr. Hart to the Board. He explained that the TBC is in the process of expanding their client services team. He also gave a brief update on the firm and stated that they currently have \$34B in assets under management as of September 30, 2009. Also their firm is positioning for another down turn in the market. There have been no changes in regards to the management team for this fund, and stated that if there was the Board would be notified as soon as possible. Mr. Brown asked that when the firm's assets went down to \$22B; were there any consolidations made. Mr. Naverrate stated that there were. In 2008 there were 300 employees and now there are 200 employees, but again none of these changes impacted this plan directly. He explained how the cut downs worked and what positions were reduced or eliminated.

Mr. Naverrate moved on to the funds performance for the quarter ending September 30, 2009. For the quarter they were positive but behind the index at 16.52% versus 18.24%, but for the year to date they did outperform at 21.64% versus the index at 14.85%. He stated that within the quarter they sold some stocks including AT&T and Verizon. Mr. Naverrate reviewed the sector attributions for the quarter and commented that in the past being underweighted in information technology has helped them, but that was not the case in this quarter. Also they were over weighted in financials which was a detractor from the performance within the quarter. He reviewed with the Board their stock selection process and explained which stocks they want in their portfolio and which ones they do not want. Ongoing changes take place daily, but they have weekly meetings to bring in new ideas as well.

Mr. Naverrate gave a little insight as to what he sees happening in 2010. He stated that he thinks a lot of companies will release their budgets and expand through out the year. Also he commented that TBC has changed some of their ways because of the market environment.

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

Mr. Brown stated that they have gained \$2M as of November 30, 2009 and there will be more money coming in. He explained that they put the State contribution into

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fixed income and that they will be seeing more distributions from JP Morgan shortly. Also, we will be receiving 30% (\$900K) of the TALF money back by December 31, 2009, which will also go into fixed income.

Mr. Brown notified the Board that Todd Barney from Aletheia has left the firm due to commuting reasons. He explained that Mr. Barney came from Templeton and is now moving on to ING. There are no changes to the management for this portfolio and Mr. Brown does not recommend any action to be taken. He explained that the constant turnover with Aletheia is within the people who come to the meetings to talk about the portfolio, but not with anyone who actually run the portfolio.

Lastly, the Spectrum fund was positive for the month of November, although we are down 6% since we invested in it. Mr. Brown stated that we will receive our first payment from them on May 10, 2010.

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

Ms. Jensen stated that next week the City will be deciding on a resolution in regards to the Special Act. Also on December 18, 2009 at 3PM she will be presenting the Special Act to the Commissioners and Carl Domino will be representing the Board.

Ms. Jensen reviewed service provider RFP schedule and stated that all the service providers are ready to be reviewed except for the checking account at First Southern Bank and Dr. Zahn. The Board agreed that the most urgent ones that need to be reviewed are the Actuary and the Custodian.

A motion was made by Randy Sherman to approve issuing an RFP for the Actuary and the Custodian, but not until after the Holidays. The motion was seconded by Matt Young and carried 5-0.

Ms. Jensen passed around new signature authorizations for all the managers, the custodian and the checking account due to Mr. Sheppard leaving the Board and Mr. Walker joining.

The tax exempt certificate is coming up for renewal in which Ms. Jensen stated that her office will be handling.

Lastly, Ms. Jensen notified the Board that she has sent the list of scrutinized companies to all the Managers; therefore all the Managers should be abiding by list effective immediately.

OTHER BUSINESS

N/A

There being no further business and the next Pension Board meeting having been scheduled for January 14, 2010, the meeting adjourned at 2:51PM.

Matt Young, Secretary