

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
JANUARY 14, 2010**

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
(Departed 2:46P)
Brian Walker, Trustee
Rick Dorey, Trustee

OTHERS

Bonni Jensen, The Law Offices of Perry & Jensen
Audrey Ross, Resource Centers
J.D. Sitton, JP Morgan
Troy Brown, The Bogdahn Group
Tom Foster, City of WPB Firefighter (retiree)
Tom Sheppard, City of WPB Firefighter
Jeanine Bittinger, Davidson, Jamieson & Cristini
Richard Cristini, Davidson, Jamieson & Cristini

PUBLIC COMMENTS

N/A

9/30/09 AUDITED FINANCIAL STATEMENT REPORT: DAVIDSON, JAMIESON & CRISTINI (PRESENTED BY: JEANINE BITTINGER & RICHARD CRISTINI)

Ms. Bittinger reviewed the financial statements for the fiscal year ending September 30, 2009. She explained that the Independent Auditor's Report is to express an opinion on the financial statements based on their audit findings. Ms. Bittinger then compared the Fund's assets after liabilities from 2008 to 2009. She commented that the assets have slightly decreased from \$110,767,340 in 2008 to \$110,683,727 in 2009, and the employer contributions also decreased from \$3,967,730 to \$3,773,358 respectively. She noted that the City pays their contributions in one lump sum at the beginning of the fiscal year so that they will receive an interest break. The Board also discussed what the City's contributions are as a percentage of covered payroll. Lastly, Ms. Bittinger reviewed and compared the administration expenses. They have decreased by \$8,255 from 2008 and 2009, which was very beneficial.

Mr. Cristini explained that they had to add a new disclosure this year that was regarding the new auditing standards. Ms. Jensen commented that the language that is used in this report to describe the termination of the plan came from the old Statute, but this plan is now under a Special Act. Mr. Cristini stated that he would revise the language and send out new reports.

Mr. Cristini moved on to present the memorandum on review of internal control structure. He reviewed some matters that are opportunities for strengthening the internal controls and operating efficiency. Also Mr. Cristini briefly reported on the alternative investment category and commented that the Board has to look at their investments closely and ask questions to be sure that this investment is a fair value. Lastly, he stated that there were no disagreements with the Board or Management during the Audit process.

A motion was made by Rick Dorey to approve the 2009 Audited Financial Statements that were presented by the Auditors, per Ms. Bonni Jensen's

recommendation to the language regarding the termination of the plan. The motion was seconded by Brian Walker and carried 5-0.

INVESTMENT MANAGER REPORT – JP MORGAN (PRESENTED BY: J.D. SITTON)

Mr. Sitton introduced himself to the Board and gave a brief overview of the Company. There has been no turnover within the Company and they currently manage \$43.2B in assets. He explained that Real Estate has been very challenging over the past 3 years. JP Morgan has been able to save their clients money when all other firms have gone down. Mr. Sitton stated that they are still using the same process and that they are still in the Strategic Property Fund which is an open ended whole fund. This specific Strategic Property Fund has \$15.2B in assets with 251 clients and is the steadiest return product.

Mr. Sitton reviewed the funds performance as of December 31, 2009. For the quarter they were negative but ahead of the index at -2.8% versus -3.4%, and for the one year they are in the same position at -26.6% versus -29.7%. He then reviewed the asset allocation and stated that they have 37.4% in offices, 25.5% in retail, 16.6% in residential, 12% in industrial, 7.4% in cash and 1.1% in other. Mr. Sitton commented that they do not have any forward commitments such as hotels, storage units or nursing homes.

Lastly Mr. Sitton gave the Board an update on the queue. He stated that 34% of their assets are in debt which is non course. The outgoing queue stands at \$800M and the incoming queue stands at \$400M. He then explained the need for both an outgoing and incoming queue. Mr. Sitton briefly shared information in regards to JP Morgan's new fund that he would like the Board to consider investing in.

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

Mr. Brown reported that as of 12/31/09 the fund is at \$115M with a gain of \$3M within the quarter. He commented that Franklin Templeton had a low return but that he thinks that should turn around within the upcoming quarters. Also he will be having Aletheia in his office to discuss their constant personnel change. Mr. Brown stated that they also received the \$900K distribution from the TALF fund and another disbursement from JP Morgan; both distributions were moved to the fixed income fund.

Mr. Brown gave an update on the current market environment. He stated that the biggest risk will be the removal of the stimulus which will be in the end of March. He briefly touched on the Real Estate aspect of the portfolio and recommended to stick with their previous plan by staying in the queue with JP Morgan. Also Mr. Brown thanked Ms. Jensen for preparing the scrutinized company list in which he will send out to all the Managers by January 31, 2010. He explained the process the manager will have to go through if they are invested in any of the companies that are on the list and what the Board's responsibilities are.

APPROVAL OF MINUTES

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

A motion was made by Matt Young to approve the minutes of the December 10, 2009 regular meeting as amended. The motion was seconded by Rick Dorey and carried 5-0.

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DISBURSEMENTS

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

A motion was made by Rick Dorey to approve the disbursements that were presented by the Administrator. The motion was seconded by Brian Walker and carried 5-0.

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

Ms. Jensen notified the Board that the amendment to the Special Act has been published in the news paper. Also Ms. Jensen filed as a Lobbyist just incase she has to represent the Board.

The Actuarial and Custodial RFP's were sent out earlier in the week and they are due by February 19, 2010.

Ms. Jensen commented that the IRS has changed the mileage rate from \$.55 to \$.50 effective January 1, 2010.

Ms. Jensen stated that she has filed for the renewal of the plans tax exempt certificate.

Ms. Jensen commented that the Star Tek case has been settled. She spoke to Laura Stein's office and they offered a percentage of their Attorney fees to all the Attorneys' who were involved. Ms. Jensen explained that it would be up to the Board whether or not she could accept these fees. The Board discussed and noted that Ms. Jensen did not charge the Board any fees for the work that she did related to the Star Tek case while it was in process.

A motion was made by Matt Young to allow Ms. Bonni Jensen to collect any fees that were offered to her from Laura Stein's office in regards to the Star Tek litigation. The motion was seconded by Rick Dorey and carried 4-0.

Mr. Sheppard asked if Ms. Jensen is she ever heard anything back about the IRS Determination letter that was filed in the beginning of 2009. Ms. Jensen commented that it was still pending and that she has not heard anything back.

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

N/A

OTHER BUSINESS

Ms. Ross notified the Board the Mr. Matt Young's term is set to expire on March 31, 2010 and since he was the 5th Trustee an election would need to take place at a Pension Meeting. The Board discussed and took nominations.

A motion was made by Brian Walker to retain Matt Young as the 5th Trustee on the Pension Board. The motion was seconded by Rick Dorey and carried 3-0.

The Board discussed the Trustees' term dates going from 2 years to 4 years, and Ms. Jensen explained that whatever the Trustee's term is now will be expanded out for 4 years.

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The Board went through and made some revisions to the Rules and Regulations for the Selection of the Trustees.

Mr. Sheppard stated that they have some Firefighters who are doing a Haiti relief and any donations can be dropped off at any of the Fire Stations.

Mr. Dorey commented that the next Retirement Dinner will be held in 2011 and he needs permission to reserve the room now. The Board discussed some different options they had in regards to the location of the dinner. They decided to keep it at the Crown Plaza. The Board directed Mr. Dorey to reserve the room at the Crown Plaza for the 2011 Retirement Dinner.

Ms. Ross notified the Board that PRC will be producing the employee benefit statements shortly. Also she will be holding a 3 day seminar towards the end of February to pass out the statements and it is also open enrollment for AFLAC.

There being no further business and the next Pension Board meeting having been scheduled for February 11, 2010, the meeting adjourned at 4:25PM.

Matt Young, Secretary