

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
DECEMBER 9, 2010

Chair Dorritt Miller called the meeting to order at 1:26 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
Brian Walker, Trustee
David Merrell, Trustee
Randy Sherman, Trustee
Rick Dorey, Trustee

OTHERS

Bonni Jensen, the Law Offices of Perry & Jensen
Audrey Ross, Resource Centers
Troy Brown, the Bogdahn Group
Matt Hart, the Boston Company
Joel Mittelman, the Boston Company
James Smith, WPB Firefighter (Retiree)

PUBLIC COMMENTS

Former Assistant Chief James Smith approached the Board and stated his background. He retired from the City of West Palm Beach in 1971, and explained his family history with the City and the fire department. Mr. Smith commented that his main purpose back when he was active was to educate and train the members of the fire department. Then he stated that eventually he gave up his pension for the future members. He reported that he brought a list with him today that contains 32 retirees that he retired with. He wants the boards help and consideration in raising these members' retirement benefits to at least \$1,000 per month per member. Mr. Smith wants the City and the Union to work together and figure out a way to make this increase happen for the members on his list.

Ms. Miller thanked Mr. Smith for coming and expressing his concern to the pension board, but she explained that the pension board has no control of the benefits that are provided to the members. She continued to explain that the benefits are negotiated between the City and the Union, and that the pension board just administers them. Ms. Miller directed him to speak with the Union and see what they can do. Mr. Smith thanked the Trustees for their time, and stated that he will start with approaching the Union first, and then he will go from there.

INVESTMENT MANAGER REPORT – THE BOSTON COMPANY (PRESENTED BY MATT HART & JOEL MITTELMAN)

Mr. Hart welcomed himself back and introduced Mr. Mittelman to the board. He commented that there have been no changes to the portfolio team which is still led by Brian Ferguson. Also, Mr. Hart pointed out that they just recently passed their 10 year anniversary with this fund.

Mr. Mittelman reviewed the overall performance and stated that since 2003 their strategy has delivered above medium returns over all time periods. He noted that they are only one of two managers that have done this. For the quarter ending September 30, 2010 they outperformed the benchmark at 10.37% versus 10.13%, but for the one year they underperformed at 6.27% versus the benchmark at 8.90%. He also reported that for the year to date they are also behind at 2.28% versus 4.49%, but as of November 30, 2010 they are ahead of they benchmark by 3%. Mr. Mittelman reviewed the sector returns for the year to date and commented that they are trailing behind by -2.1%. He explained that they underperformed in

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telecommunications, financials and consumer discretionary which was mostly due to the banks and the capital markets.

Mr. Hart reviewed the top 10 and bottom 10 stocks that were held in the portfolio within the quarter. All the leading stocks were in the information technology and industrial sectors, as the bottom stocks were mostly all in financials. Lastly, Mr. Mittelman stated that the Boston Company feels that they are in a good position for the future, and they think the consumer is slowly coming back which is a positive outlook for the market.

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

Mr. Brown notified the Board that Aletheia sent letters out to all their clients because there is a lawsuit that was filed against them from a former partner. Mr. Brown briefly reviewed the background of the case and stated that the lawsuit has nothing to do with their assets. He recommended that with all of Aletheias' personal changes and their continued underperformance, he would recommend replacing them. Mr. Brown noted that there is no sense of urgency in replacing them and that they should wait until he does a manager search to move forward. The board agreed.

Mr. Brown announced that Paul McCulley retired from PIMCO. He commented that he is very comfortable with this transition and that no action needs to be taken. Also, Mr. Brown notified the Board of Franklin Templeton personnel changes as well. He explained the relocations and promotions of some of the employees within the firm. He stated that he is comfortable with all the personnel changes and that it will not have an impact on the portfolio.

Lastly, Mr. Brown reviewed the Managed Futures presentation that was previously presented. He noted that he added some long term correlation tables in there since the last meeting. He explained that the purpose of Managed Futures is to give you the opportunity to perform better in a down market. Although, if the market is doing very well then Managed Futures can bring down the return as well. Mr. Brown stated that he thinks this investment makes a lot of sense and is also already allowable in the Plan. This investment would be the most liquid investment in the portfolio, and it will add great diversification to the fund. He reviewed the different money managers out there that offer this investment, and stated that he thinks it is best if the Board invited them in for an interview. The Trustees discussed the investment and agreed to invite the two managers (Abbey Capital and Princeton Futures) to the March meeting for a presentation.

Mr. Brown reviewed the revisions he made to the investment policy guidelines, which were adopted and approved at the previous meeting. He stated that the revisions had to do with updating numbers and housekeeping items.

APPROVAL OF MINUTES

The Board reviewed the minutes of the November 19, 2010 regular meetings.

A motion was made by Randy Sherman to approve the minutes of the November 19, 2010 regular meeting as amended. 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 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 distribution from DROP account for David Nelson, the application for distribution for share account for Aaron Richardson and the application for a refund of contributions for Ricardo Thompson.

The board discussed the application for distribution from share account for Aaron Richardson. The Trustees want to check with the Actuary to make sure that he is abiding by the IRS 415 limit rule before they pay out his distribution. The Trustees also discussed about payments being made to members' before the Boards approval. They discussed what payments should be paid out in between meeting and what payments need to wait for the boards' approval before they are disbursed.

A motion was made by David Merrell to direct that all share and DROP distributions and refund of contributions are approved by the Board before they are disbursed (not including regular monthly retirement benefits). The motion was seconded by Randy Sherman and carried 5-0.

A motion was made by Brian Walker to table the approval of Aaron Richardson's application for distribution of share account until more information is provided from the Actuary. The motion was seconded by Rick Dorey and carried 5-0.

A motion was made by Brian Walker to approve the application for distribution of DROP account for David Nelson and the application for refund of contributions for Ricardo Thompson. The motion was seconded by Rick Dorey 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 October 2010.

The Board received and filed the un-audited financial statements through the month of October 2010.

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

Ms. Jensen reviewed the class action report from Salem Company. Within the quarter they recovered losses from Merrill Lynch and TICO.

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

Ms. Ross presented the Board with the Fiduciary Insurance renewal quote which is due January 1 ,2011. The premium actually decreased by \$2,269 from last year.

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A motion was made by Rick Dorey to bind coverage for the Fiduciary Insurance effective January 1, 2011 The motion was seconded by Brian Walker and carried 5-0

Ms. Ross presented the Board with the 2011 meeting dates.

OTHER BUSINESS

Mr. Merrell stated that he would like the Board to consider paying for Matt Young and his wife's retirement dinner tickets, as he just recently resigned from the Board. Mr. Merrell also pointed out all the work that Mr. Young has put into organizing the dinner as well.

A motion was made by David Merrell to approve the pension board paying for Matt Young and his wife's retirement dinner tickets. The motion was seconded by Randy Sherman and carried 5-0

There being no further business and the next Pension Board meeting having been rescheduled for January 18, 2011, the meeting adjourned at 3:29PM.

Rick Dorey, Secretary