

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND**  
**MINUTES OF MEETING HELD**  
**MAY 13, 2010**

Chair Dorritt Miller called the meeting to order at 1:27 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  
Rick Dorey, Trustee  
Brian Walker, Trustee (departed 3:33P)  
Randy Sherman, Trustee

**OTHERS**

Bonni Jensen, the Law Offices of Perry & Jensen  
Audrey Ross, Resource Centers  
Troy Brown, the Bogdahn Group  
David Bunzel, Aletheia Research Management  
Tom Sheppard, WPB Firefighter (Retiree)

**PUBLIC COMMENTS**

N/A

**INVESTMENT MANAGER REPORT – ALETHEIA RESEARCH MANAGEMENT  
(PRESENTED BY DAVID BUNZEL)**

Mr. Bunzel introduced himself to the Board and stated that their office is located on the West Coast. He announced that Aletheia was ranked number 1 as a large cap growth manager. Aletheia manages over \$7.3B in assets and they have 9 investment and research professionals with a total of 23 employees. Aletheia is also independently owned by 88% of their active employees.

For the quarter ending March 31, 2010 they ended with \$12M and were behind the index at 2.76% versus 4.64%. He commented that for the 12 month period and since inception they are also behind at 46.47% versus the index at 49.75% and -5.69% versus -2.61% respectively. Mr. Bunzel reported that they have a large overweight in energy and materials/precious metals. He commented that their approach is to be up more than the market when the market is up, and to be less down in the market when the market is down.

Mr. Bunzel reviewed the stocks that contributed to the performance within the quarter and the ones that detracted from the performance. He briefly gave the Board an update on the current market situations and reported that they have moved away from natural gas companies and have increased their exposure in the industrial sector. They have very little holdings in consumer discretionary and consumer staples and explained why. Mr. Bunzel reviewed Aletheia's philosophy, research process, and their buy and sell process.

Lastly, Mr. Bunzel stated that his thoughts are that the market will continue to get better and that this portfolio is in a good position. Also he wanted to address the situation of the turn over in staff within the firm. Mr. Bunzel explained that the new owners are in lawsuit with the prior Vice President of Aletheia. He commented that both parties are suing each other and it is still an ongoing, although the old owners have admitted to what they did so therefore he thinks they will soon settle. Mr. Bunzel wanted the Board to understand that the lawsuit does not take away any time or interfere with their Clients.

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

Mr. Brown stated that he did have an in depth meeting with Aletheia and he is pleased with them. In regards to the current market environment he reported that Companies are well positioned to buy, but the consumer spending is still down. Technically we are not out of the recession yet either. It was a good quarter for the equity side and also the international was positive. Financials and information technology were the largest sectors within the quarter. The yields are going down so the value of the corporate bonds dramatically increased.

Mr. Brown updated that Board on the R5-R6 share transition and stated that it is complete and there was no impact. Also, on May 17 we will get our first coupon payment from BNP with a return of 1.45%, and also a payout of \$72,500 which will be used for benefit payments. He reported that the commission recapture also retrieved \$45K within the last quarter.

Mr. Brown reported that they are currently 5% underweighted in real estate versus their policy. During the quarter the fund made \$4.3M which gave them a total of \$118M at the end of the quarter for March 31, 2010. He reported that as of May 1, 2010 there was \$119M in the Fund, and for the fiscal year to date the return is 6.75, so he hopes the Fund will meet its assumption.

For the quarter ending March 31, 2010 the total fund was ahead of the benchmark at 3.85% versus 3.80%, the total equity was behind at 4.68% versus the benchmark of 5.19%, the total domestic equity was also slightly behind at 5.52% versus 5.94%, the total international equity is in the same position at .01% versus the benchmark at .94% and the total fixed income outperformed for the quarter at 2.94% versus 1.78%. Mr. Brown then reviewed each manager's performance:

Boston Company – Slightly underperformed at 6.32% versus 6.78%. Their biggest contributor within the quarter was financials, and long term their results are strong.

Aletheia – We are comparing a shorter time period here for this manager. As heard earlier they are a growth manager for companies that are going to grow. Again they underperformed quit a bit at 2.75% versus the benchmark at 4.65%.

Fayez Sarofim – This manager is a good combination with Aletheia although they also underperformed the benchmark at 3.64% versus 4.65%.

TSW – Had a great quarter and outperformed at 9.65% versus 9.57%. Mr. Brown stated that he is very comfortable on how they structure their portfolio.

Baron Asset – This manager does not trade a lot and they were slightly behind at 9.65% versus 9.57%.

EuroPacific – This fund lost \$24K within the quarter but they are still positive at .73% versus the benchmark at .94%. One stock took this fund below the benchmark.

Templeton – Currency had a huge impact on this fund as well as their overweight in Asia. They were negative and below the benchmark at -.62% versus .94%.

Allianz/PIMCO – This fund is slowly coming back around. In 2008 it was negative but now it is positive and ahead at 2.94% versus 1.78%.

JP Morgan – This is the first quarter in 2 years that this fund has been positive, they have no queue remaining, and they took in \$7M in new contributions so they are on the right track. They have no transaction activity and they are trying to keep their occupancy levels around 90%.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MEETING OF MAY 13, 2010

They were positive for the quarter at .60% versus the benchmark at .76%. In April they were up 50 basis points.

BNP Spectrum CD – They received a return of 2.12% and they will be issued their first coupon.

PIMCO/TALF – We have received all the money back from this Fund that was not invested. Mr. Brown commented that this fund is a great investment and they received a 6.21% return for the quarter.

NON-CORE BOND OPPORTUNITIES

Mr. Brown presented the Board with some different ideas to expand the funds diversification. This particular investment that he is presenting to the Board is a non-core bond. He stated that there are some risks that are associated with an investment like this which would be defaults. Mr. Brown compared three different fixed income managers that offer this kind of strategy and reviewed each one. He noted that he has worked with all three of the managers, as they work with other clients of his.

Mr. Brown explained that he would recommend to the Board Templeton as they are the safest ones in terms of debt and they have better diversification. Also PIMCO would be a good fit for this Fund, but not Loomis and explained why. Mr. Brown stated that his recommendation is to move 5% (about \$6M) from the fixed income to one of these investments. This investment is allowed under the current investment policy guidelines because it would be considered a fixed income product. The Board discussed the different investments that they were presented with and stated that they want to wait until they hear from PIMCO at the June meeting.

APPROVAL OF MINUTES

The Board reviewed the minutes of the March 11, 2010 and April 8, 2010 regular meetings.

**A motion was made by Rick Dorey to approve the minutes of the March 11, 2010 regular meeting as amended. The motion was seconded by Brian Walker and carried 4-0.**

**A motion was made by Brian Walker to approve the minutes of the April 8, 2010 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 Randy Sherman to approve the disbursements that were presented by the Administrator. The motion was seconded by Rick Dorey and carried 4-0.**

BENEFIT APPROVALS

The Board reviewed the applications for a DROP loan for Ray Carter, Rodger Kennedy and Tim Cook.

**A motion was made by Brian Walker to approve the applications for a DROP loan for Ray Carter, Rodger Kennedy and Tim Cook. The motion was seconded by Randy Sherman and carried 4-0.**

WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MEETING OF MAY 13, 2010

**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 March 2010.

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

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

The Board discussed the letter that the Division of Retirement sent to the Board stating that they feel that the Plan's Actuary should consider updating the assumptions based on an experience study. Ms. Ross explained that Brad Armstrong (the plans Actuary) had received a copy of this letter as well and stated that he would do this project and outlined what kind of information would be included and also gave the Board a fee quote. The Board decided to take no action on the letter from the Division of Retirement.

The Board tabled the RFP discussion until the next meeting when all Trustees' are present.

Ms. Jensen provided the Board with the annual escalator clause. She explained there is one beneficiary left who still falls under this clause.

***A motion was made by Rick Dorey to approve the escalator clause for the Beverly Newman. The motion was seconded by Randy Sherman and carried 3-0.***

Ms. Jensen presented the Board with the revised and updated Summary Plan Description.

***A motion was made by Rick Dorey to approve the revised Summary Plan Description as presented and to distribute it to all active members. The motion was seconded by Randy Sherman and carried 3-0.***

Ms. Jensen updated the Board that the plan amendment has passed, but it still has not been signed.

Ms. Jensen reminded the Trustees' that their Form 1 Disclosures are due July 1.

Ms. Jensen stated that she thinks the Board should review their current public records request policy and update if necessary. She commented that she will bring that current policy to the next meeting to be reviewed.

Ms. Jensen reported that she attended some of the pension force task meetings that they City created, and she submitted a bill to the City for her time.

Ms. Jensen notified the Board that Healthways is now in the process of settling and the case can be reopened so that WPBFF pension fund can be the lead plaintiff and class leader. The Board decided to take no action at this time, as they are already the class leader.

Ms. Jensen presented an updated W9 for the Board that was executed.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MEETING OF MAY 13, 2010

Ms. Jensen reported to the Board that she received a questionnaire from JP Morgan in which was completed and returned.

Lastly, Ms. Jensen commented that they received a public records request for a retiree who is going through a divorce and her office is currently working on that request.

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

N/A

**OTHER BUSINESS**

Ms. Miller commented that she received a notice from FPPTA that stated that she missed some training classes, and they wanted to let her know that it is requirement that all Trustees' must attend classes each year. She wanted to notify the Board of this new requirement.

The Board discussed the dates of the new Trustee terms since they were just recently expanded to 4 years. Ms. Jensen commented that you just add on 2 more years to each Trustee's original term.

There being no further business and the next Pension Board meeting having been scheduled for June 10, 2010, the meeting adjourned at 3:51PM.

---

Matt Young, Secretary