

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
SEPTEMBER 22, 2011

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
Rick Dorey, Secretary
Brian Walker, Trustee
Dave Merrell, Trustee

OTHERS

Bonni Jensen, The Law Offices of Perry & Jensen
Audrey Ross, Resource Centers
Troy Brown, The Bogdahn Group
Rey Reza, Fayez Sarofim
Alan Christensen, Fayez Sarofim

PUBLIC COMMENTS

N/A

APPROVAL OF MINUTES

The Board reviewed the minutes of the August 11, 2011 regular meeting.

A motion was made by Brian Walker to approve the minutes of the August 11, 2011 regular meeting. The motion was seconded by Dave Merrell and carried 4-0.

The Board reviewed the minutes of the September 6, 2011 special meeting.

A motion was made by Brian Walker to approve the minutes of the September 6, 2011 special meeting as amended. The motion was seconded by Dave Merrell and carried 4-0.

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 4-0.

BENEFIT APPROVALS

The Board reviewed the applications for an October 1, 2011 distributions from share accounts for David Abdo, David Baxter and James Budzinski, the applications for an October 1, 2011 distribution from DROP accounts for Dennis Withington, Don Triana, Doug Heller, Gary Wilburn, George Hannah, George May, Ken Woodcum and Kenny Jones.

The board discussed Mr. Baxter's disbursement, and Ms. Jensen stated that the taxes were calculated incorrectly. We must tax him on the full amount he withdrawals, not on the amount that is left after he pays off his loan. Also the board directed Ms. Ross to include on the benefit approvals notification when a member pays off their DROP loan in the future.

A motion was made by Rick Dorey to approve the applications for an October 1, 2011 distributions from share accounts for David Abdo, David Baxter (as revised) and James Budzinski. The motion was seconded by Brian Walker and carried 4-0.

A motion was made by Dave Merrell to approve the applications for an October 1, 2011 distributions from DROP accounts for Dennis Withington, Don Triana, Doug Heller, Gary Wilburn, George Hannah, George May, Ken Woodcum and Kenny Jones. The motion was seconded by Rick Dorey and carried 4-0.

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 August 2011.

The Board received and filed the un-audited financial statements through the month of August 2011.

INVESTMENT MANAGER REPORT – FAYEZ SAROFIM (PRESENTED BY REY REZA & ALAN CHRISTENSEN)

Mr. Reza gave the board a brief update on the performance as of September 19, 2011, in which they were up 2.4%. He then reviewed their sector weightings and commented that they were over weighted in consumer staples, which has helped their portfolio throughout the rough times. Although last year what hurt them the most was financials and consumer discretionary, in which they have since cut back on. Mr. Reza reviewed some of the current market situations and stated that un employment and housing are still down and it does not seem like its going to get better anytime soon. He commented that a large portion of this funds portfolio earnings are from outside the US, so those are the places they are looking into buying. Also Mr. Reza thinks the Government will have a big impact on the market going forward, just as they do now.

Mr. Christensen reviewed the funds performance. He reported that they have added some new names into the portfolio to take advantage of, and they have also eliminated a couple stock as well. He reviewed the funds sector weightings and commented that they are currently over weighted in consumer staples and underweighted in consumer discretionary. Mr. Christensen explained that they continue to look for opportunities in financials, but right now they remain underweighted in that sector. There is still a lot of cash on the sitting out on the sidelines. Mr. Christensen reviewed the top 25 holdings in the portfolio, and also the price to earnings chart. He noted that the fund is a slight discount to the market according to Fayez's studies, although they are expected to grow faster then the market. Lastly Mr. Christensen broke down the asset allocation and stated that there is 43% in US earnings, and 57% in non US earnings.

Mr. Brown stated that we know there is a slow growth expectation, but what does Fayez think is going to help the recovery. Mr. Reza commented that there is always risk and there is more in International, and the global demand and global growth have not been established in the International yet. Also we will need to see the consumer grow more, and he thinks the next upcoming year will have an impact on the market due to politics and with it being an election year. In addition Mr. Reza explained that they are closely watching Europe and Germany, as he thinks it's only a matter of time until Germany steps in to help Europe with their crisis.

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

Mr. Brown presented the board with the 8/31/11 flash performance report, in which they are up 7.70% for the fiscal year to date. He then reviewed the TBC letter regarding their change in management, and he stated that the portfolio team was not affected by this. Also Mr. Brown noted that TBC did not have a good performance because they were over weighted in energy, and Abbey Capital is now up in running in the portfolio and doing what they were hired to do. The Oppenheimer account did great during the quarter and was positive, as the PIMCO account, the account that Oppenheimer is suppose to be a "mirror image" of was negative. The Government is now selling off Treasuries and buying them back just like they have previously done in 1961 as a way to reposition their portfolio. Mr. Brown stated that we are going to have a very slow recovery phase as the whole world has taken a hit, but he does not think we will go back into a recession.

Mr. Brown presented the board with another product called DiSCO2 which is being offered by PIMCO. Mr. Brown explained that PIMCO had a DiSCO1 product which has since been closed out, so therefore they are offering a second product. DiSCO2 is set up like a hedge fund with a one year lock up, and distributions would follow after. Mr. Brown reviewed an example of the investment and explained that PIMCO already owns all the securities that were in DiSCO1, so therefore DiSCO 2 clients can buy the securities at a discounted price. Mr. Brown explained that PIMCO bought all these assets back in 2007, and since liquidity has started to come back, PIMCO wanted to hold onto all the securities. PIMCO was able to do that by creating structured securities, in which are held in the DiSCO 1 & 2 product. Mr. Brown noted that PIMCO's position in this holding is greater then the Governments.

Mr. Brown reported that the DiSCO2 fund would be considered a fixed income product, and the total fees would come to 95 basis points. He commented that he briefly wanted to present this idea to the Board to see if they were interested, and if so then he would invite PIMCO to the next meeting to do a full presentation of this product. The Trustees discussed the product and decided that they would like PIMCO to come present the DiSCO2 fund at their next meeting.

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

Ms. Jensen notified the board that they supplemental money was issued and the pension fund should be receiving it shortly.

Ms. Jensen circulated around an authorized signature form on behalf on the pension fund, as it needed to be updated to reflect the new Trustees' on the board.

Ms. Jensen briefly mentioned that she received a letter regarding the filing of Trustees pension information on their Form 1's. She explained that Trustees will need to start reporting their pension assets on their Form 1 disclosures starting next year. Also, she commented that she will be circulating out a memo regarding this matter shortly.

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

N/A

OTHER BUSINESS

N/A

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MEETING OF SEPTEMBER 22, 2011

There being no further business and the next Pension Board meeting having been rescheduled for Thursday October 13, 2011 @ 1:30PM, the meeting adjourned at 3:30PM.

Rick Dorey, Secretary