

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
MAY 10, 2012

Secretary Brian Walker called the meeting to order at 1:30 P.M. in the Third Floor Conference Room at Station 1; 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

TRUSTEES

Rick Dorey, Chair (via teleconference)
Brian Walker, Secretary
Dave Merrell
Pete Bozetarnik

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, The Law Offices of Perry & Jensen
Troy Brown, The Bogdahn Group
Rick Roberts, City of WPB Firefighter (Retiree)
Doug Greene, City of WPB Firefighter

PUBLIC COMMENTS

N/A

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

Mr. Brown reviewed and compared all the Investment Manager fees and commented that this plan has mostly blended fees. The Plan currently pays a total of 64 basis points for all their managers. Mr. Brown stated that these fees are reasonable and inline compared to other managers for this type and size portfolio, and for also having mostly active management as well.

Mr. Brown presented the board with the April flash performance report. He stated that equities really struggled during the month and were down -.02%, although the total fund was still up 15.8% for the fiscal year to date.

Mr. Brown reviewed and explained the charts he passed out reflecting their SMID cap value manager Thompson, Siegel & Whalmsley's (TSW) historical performance. He noted that this product is currently closed out to new investors and explained that these are composite historical charts that reflect they have added more value to the portfolio then the benchmark overtime. In the calendar year 2008 they underperformed, as most active mangers did during that time as well. Mr. Brown pointed out that over the last 8 years TSW has added more return with less risk and currently they are inline with the benchmark. Mr. Brown stated that he does not recommend at this time to change and move away from TSW, but he did want to review the manager and share his concerns with the Board. Also he noted that he is comfortable with TSW's strategy and the underperformance was not due to their strategy either. Mr. Brown also reviewed other alternatives with the Board such as doing a manager search in which he can bring in materials on other managers that offer the same type of product for the Trustees' to review and compare. The Trustee's discussed their options and stated that as their fiduciary responsibility they would like to review other candidates/managers that have a similar product as TSW. Lastly Mr. Brown reported that he has already spoken to and reviewed this performance with TSW, although he would still like the Boards permission to have TSW attend their next meeting to give the Board an update personally. The Trustees' concurred with having TSW attend their next meeting.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF MAY 10, 2012

Mr. Brown reviewed the March 31, 2012 fund performance and stated that it was strong quarter for equity markets. During the quarter the total fund earned \$10,995,816, which brought the Plans assets up to \$142,791,315 which is a new all time high. During the quarter the fund out performed the benchmark at 8.27% versus 7.65%, and for the fiscal year to date the fund is also ahead at 16% versus 14.91%. Mr. Brown reviewed the asset allocation and commented that they are currently over weighted to equities because of the strong performance during the quarter. He stated that although there is an overweight to equities, there is no need to rebalance at this time because since the quarter ended equities have already started to underperform. He briefly reviewed the financial reconciliation during the quarter and commented that the Plan will be receiving their 1.45% coupon from BNP within a couple days. Mr. Brown reviewed each manager's performance for the quarter and stated that 8 managers outperformed and 3 underperformed. Lastly he shared his thoughts on the remainder of the year and commented that he thinks this fiscal year end will be different this year because of the expectations and all the major events happening around the world.

APPROVAL OF MINUTES

The Board reviewed the minutes of the April 12, 2012 regular meeting.

A motion was made by Rick Dorey to approve the minutes of the April 12, 2012 regular 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 Dave Merrell to approve the disbursements that were presented by the Administrator. The motion was seconded by Pete Bozetarnik and carried 4-0.

BENEFIT APPROVALS

The Board reviewed the applications for retirement for Mark Yates and Kevin Green, the application for distribution of DROP account due to retirement (2 distributions-partial lump sum and monthly) for Mark Yates, the application for distribution of share account due to retirement (2 distributions-partial lump sum and monthly) for Mark Yates, and the application for DROP loan for George Hannah.

Ms. Jensen notified the board that the maximum amount that Mr. Hannah is allowed to take a loan for is incorrect on the benefit approval. Per the Special Act, "if a participant has had an outstanding loan balance during the preceding 12 months, the maximum loan may be further reduced by the amount of that loan". Therefore since Mr. Hannah had a previous outstanding loan balance of \$14,336.95 twelve months ago, then the maximum amount he can now borrow from his DROP account is \$35,663.05 (\$50K reduced by his outstanding balance).

A motion was made by Dave Merrell to approve the applications for retirement for Mark Yates and Kevin Green. The motion was seconded by Rick Dorey and carried 4-0.

A motion was made by Dave Merrell to approve the applications for distribution of DROP and share accounts (due to retirement) for Mark Yates. The motion was seconded by Pete Bozetarnik and carried 4-0.

A motion was made by Brian Walker to approve application for DROP loan for George Hannah as amended by the Special Act guidelines. The motion was seconded by Dave Merrell 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 March 2012.

The Board received and filed the un-audited financial statements through the month of March 2012.

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

Ms. Jensen reminded the Trustees that their Form 1 Disclosures are due July 1, 2012.

Ms. Jensen reviewed the State Law Update memo and commented that the new law expands the exemptions from public records information regarding personnel to include dates of births for all public safety officers and their beneficiaries, spouses, children, etc. Also she stated that the IRS has issued a private letter ruling on retire/rehire policies and is addressing the normal retirement age and in-service distributions. The effective date for the normal retirement age regulations has been extended to January 1, 2015. Also the State Legislation passed a bill to automatically cancel the designation of the spouse as a beneficiary upon divorce or annulment of the marriage. Ms. Jensen stated that there are still a lot of questions regarding this law, but her recommendations would be to:

- have each member update their beneficiary designation;
- have each beneficiary fill out an affidavit at the time of their (ex) spouses death;
- contact the City for coordination in keeping beneficiaries up to date.

She commented that she will update the board regarding these laws as soon as more information becomes available.

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

Ms. Ross presented the board with a retainer fee increase letter from the Resource Centers. She explained that they have worked for the board since 1996 and they have only increased their fee twice in last 16 years, with one fee reduction during that time as well. Therefore the Resource Centers is proposing to increase their monthly retainer fee from \$3,000 to \$3,650 effective June 1, 2012 and to also implement a 3.5% COLA each January 1. The Trustees' discussed the fee increase letter and commented that they are receiving great service and do agree that they need a fee increase but they were hesitant on the COLA amount and timing. Mr. Roberts recommended that the board should be cautious because of the automatic fee increase and that they should also compare the Resource Centers fees to what else is out there. The Trustees discussed their options and agreed as their fiduciary responsibilities they should do a fee comparison before agreeing to anything. Ms. Jensen noted that the board can issue a request for quote (RFQ) or a request for proposal (RFP) depending on the purposes of their search. The Trustees stated that they wanted to compare fees only; therefore they directed Ms. Jensen to issue an RFQ on behalf of the board.

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MEETING OF MAY 10, 2012

A motion was made by Dave Merrell to table Resource Centers retainer fee increase letter until they receive the responses back from the RFQ . The motion was seconded by Pete Bozetarnik and carried 4-0.

OTHER BUSINESS

Ms. Ross stated that she received a letter from Fayez Sarofim and they are engaging SEI Global Services, INC to perform certain administrative office services for their clients. Fayez needs the board's permission and authorization form signed by an authorized signor on behalf of the Plan allowing SEI to work with Salem Trust to access their detailed account information. Mr. Brown stated that he has no issues with Fayez engaging SEI and it will not have any impact on the portfolio.

A motion was made by Pete Bozetarnik to authorize the Secretary to sign off on the acknowledgment form from Fayez Sarofim allowing SEI Global Services to work directly with the Plans Custodian, Salem Trust. The motion was seconded by Dave Merrell and carried 4-0.

There being no further business and the next Pension Board meeting having been rescheduled for Thursday June 7, 2012 @ 1:30PM, the meeting adjourned at 3:33PM.

Brian Walker, Secretary