

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND**  
**MINUTES OF MEETING HELD**  
**AUGUST 9, 2012**

Chairman Rick Dorey called the meeting to order at 1:33 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  
Brian Walker, Secretary  
Jeff Green  
Ron Frano

**OTHERS**

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

The Board welcomed Mr. Ron Frano to the Board. Mr. Frano was appointed by the City to serve on the Fire pension board. Mr. Frano introduced himself and stated that he has already been sworn in and has taken the all the necessary steps to serve on the board.

**PUBLIC COMMENTS**

N/A

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

Mr. Brown reviewed the funds performance through July and commented that for the fiscal year to date they are up 15.2% and for the quarter to date they are also up about 1.4%.

Mr. Brown stated that both SMID cap managers will be attending the September meeting for interviews. He also stated that he spoke to Tracy Musser with TSW after last months meeting and she would like another opportunity to come before the board. This time Ms. Musser would be bringing the SMID cap portfolio manager who runs the portfolio that this fund is invested in. Mr. Brown noted that at the last meeting a portfolio manager who lived in Florida was presented, but he did not work on the SMID cap portfolio. He commented that it is solely up to the board as to whether or not they would like to invite TSW back to their September meeting. The Trustees' discussed the previous presentation and concluded that they would like to have TSW come back in September with their SMID cap portfolio manager.

Mr. Brown reviewed the report for the quarter ending June 30, 2012. He reported that it was not a great quarter as the market environment still has a lot of uncertainty. Problems in Europe and China are starting to slow down, although the elections are causing a lot of the volatility. Mr. Brown noted that the fund was up all quarter until the last day of the month. Financials and energy were the leading sectors and Apple is still the largest position in the index. He explained that active managers are avoiding the sectors that did the best last quarter because they are over valued. Mr. Brown briefly reviewed each manager's return for the quarter. The managed futures fund, Abby Capital is suppose to protect when the equities are up, so when the market took a hit on the last day of the month, Abby Capital also took a hit. He stated that the PIMCO DiSCO II fund has done great is up about \$1M in the short time that it has been funded. Lastly Mr. Brown noted that he does not have any recommendations at this time to rebalance.

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Mr. Brown notified the board that he will be bringing another product to the board for their consideration in the future. This product is through PIMCO as well.

Ms. Jensen stated that she gathered some other Investment Consultant fees with the help of Mr. Brown and Mr. Baur. From this spreadsheet you can see for this size fund, that the proposed fee increase to \$71K per year (paid in increments of \$2K for 3 years) is inline, if not under with other funds/fees.

**A motion was made by Jeff Green to accept and approve the Bogdahn Group's fee increase of \$2K per year effective 10/1/2012 for 3 years for a total of \$71K. The motion was seconded by Ron Frano and carried 4-0.**

**SECURITIES MONITORING REPORT: SAXENA WHITE (PRESENTED BY JOE WHIE)**

Mr. White welcomed himself back and explained to the new Trustee's what services his firm, Saxena White provides for the board. He stated that transactions in the market take place fast, therefore actions need to take place fast as well. Mr. White reported that the fund had a trade last week that they need to act on very quickly. For them to do this he is recommending that the board approve a policy which would allow him to act on this process faster than usual with permission from the Chair. This policy would allow Saxena White to communicate with the Chair in between meetings to move on with the filing process since they have to be completed in a timely manner. All cases and matters will be brought to the entire board at their next meeting for final considerations/decisions. Mr. White reminded the board that there are no fees involved for their services and that this procedure can be withdrawn at anytime.

**A motion was made by Jeff Green to accept and adopt Saxena White's policy regarding the Board's procedure to approve litigation. The motion was seconded by Ron Frano and carried 4-0.**

**APPROVAL OF MINUTES**

The Board reviewed the minutes of the July 16, 2012 regular meeting.

**A motion was made by Jeff Green to approve the minutes of the July 16, 2012 regular meeting. The motion was seconded by Brian Walker and carried 4-0.**

**DISBURSEMENTS**

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

**A motion was made by Brian Walker to approve the disbursements that were presented by the Administrator. The motion was seconded by Ron Frano and carried 4-0.**

**BENEFIT APPROVALS**

The Board reviewed the application for distributions of share account for Jim Sprow and Tim Ketchner, and the applications for distributions of DROP account for David Nelson, Margaret Clyne, Mike LeBlanc, Phillip Dudley, and Tim Ketchner, the application for retirement for Joe Brady, the application for a refund of contributions for Gary Mozda, the applications for a refund of contributions for Gary Mozda and David Gressler and the application for a DROP loan for Kevin Green.

**A motion was made by Brian Walker to approve the applications for distribution from share accounts for Jim Sprow and Tim Ketchner. The motion was seconded by Jeff Green and carried 4-0.**

**A motion was made by Brian Walker to approve the applications for distributions from DROP accounts for David Nelson, Margaret Clyne, Mike LeBlanc, Phillip Dudley, and Tim Ketchner. The motion was seconded by Ron Frano and carried 4-0.**

**A motion was made by Brian Walker to approve the application for retirement for Joe Brady. The motion was seconded by Ron Frano and carried 4-0.**

**A motion was made by Ron Frano to approve the application for a refund of contributions for Gary Mozda. The motion was seconded by Brian Walker and carried 4-0.**

**A motion was made by Brian Walker to approve the application for a DROP loan for Kevin Green. The motion was seconded by Jeff Green and carried 4-0.**

The board reviewed the situation regarding David Gressler who was an active employee that was not vested and recently passed away. Ms. Ross noted that he had a designation of beneficiary form on file and listed his parents and sister as the primary beneficiaries. Ms. Jensen explained that according to the Special Act, since Mr. Gressler had more than 5 years on the job there was a non-duty death benefit that was payable. Under the Special Act the death benefit clause states that the death benefit will go to the surviving spouse, if there is no surviving spouse then it would go to the surviving children, if there are no surviving children then it would go to the member's surviving dependant parent and if none of those then to the member's estate. The Board was informed that Mr. Gressler had no surviving spouse, children, or dependant parents. The only remaining payee under the Special Act was his estate. The Board had a lengthy conversation regarding the death benefit clause and the fact that the member had a designation of beneficiary form on file and he intended for his benefit to be paid out to them in the event he passed away. The board discussed their options and the consequences of paying the benefits out to the beneficiaries versus the Estate. By not following the Special Act the board can be subject to legal issues. The Trustees felt that it was in their best decision and interest to pay it to the beneficiaries, but they do have to abide by the Special Act which states it must be paid out to the estate since there is no surviving spouse or children. The Trustees' agreed that this language was overlooked in the Special Act and they would like to see the Union and the City reopen the contract to correct this. Ms. Jensen noted that this is the first time that they have come across a case like this.

**A motion was made by Brian Walker to approve a payment of benefits in accordance with the Special Act on behalf of David Gressler. The motion was seconded by Ron Frano 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 June 2012.

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

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

Ms. Jensen presented the Board with the class action suite against DeVry that was filed from Robbins, Geller, Rudman & Dowd. She explained that Boca Police & Fire Pension Plan is the lead plaintiff on this case and they need another plan that has incurred a loss from DeVry to file along with them. Mr. Brown noted that Baron was the manager that held DeVry in their portfolio during this time period. The Trustees' discussed whether they wanted to join with Boca as the lead plaintiff and what the pros and cons are for filing.

**A motion was made by Jeff Green to accept the lead plaintiff role along with the Boca Police and Fire Pension Plan in the DeVry case that is being filed by Robbins, Geller, Rudman & Dowd. The motion was seconded by Ron Frano and carried 4-0.**

Ms. Jensen stated that she had the revised administrative contract and the Special Act Implementation with her today to be executed by the Trustees.

Ms. Jensen circulated the revised and final application to elect earnings form. This is the form that will be used going forward.

Ms. Jensen presented the updated and final Summary Plan Description that was prepared by the Plan's Actuary. Ms. Ross stated that she will circulate this to all active members via email.

Lastly Ms. Jensen presented the Board with a letter that she drafted to the City regarding the 175 monies. This letter clarifies the amount that the City needs to contribute 10/1/2012 because it is a different amount as to what is stated in the Actuarial Valuation Report. This difference is due to the changes in the Special Act which were passed after the Valuation was completed.

**A motion was made by Brian Walker to accept and approve the draft letter that was prepared by the Plan's Attorney to be sent to the City regarding their contribution amount on October 1, 2012. The motion was seconded by Ron Frano and carried 4-0.**

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

Ms. Ross stated that the nomination period for the current election for Mr. Dorey's position has concluded. Mr. Dorey was re-elected by default as he is the only one that was nominated to run.

Ms. Ross reported that Mr. Goodfellow and his wife both signed the waiver for a release of his refund of contributions before the payment was issued to him.

**OTHER BUSINESS**

N/A

There being no further business and the next Pension Board meeting having been rescheduled for Thursday September 13, 2012 @ 1:30PM, the meeting adjourned at 4:32PM.

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Brian Walker, Secretary