

**WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MINUTES OF MEETING HELD  
NOVEMBER 8, 2012**

Chairman Rick Dorey 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**

Rick Dorey, Chair  
Brian Walker, Secretary  
Dave Merrell  
Ron Frano (arrived 2:08)

**OTHERS**

Audrey Ross, Resource Centers  
Bonni Jensen, The Law Offices of Perry & Jensen  
Troy Brown, The Bogdahn Group

**PUBLIC COMMENTS**

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

Mr. Brown noted that Fayeze has outsourced their administrative services to SEI. The only thing that will change with this transition is the billing process. Fayeze will no longer charge a fee for their money market account balance. Mr. Brown commented that this is for informational purposes only and that no action was needed.

Mr. Brown stated that Helen Doody from Abbey Capital cannot make the December meeting due to another prior client commitment. Therefore Abbey will attend the January 2013 meeting and the Boston Company will come in December.

Mr. Brown reported that the City's contribution for the fiscal year beginning October 1, 2012 has been deposited into the Plan's local checking account. Mr. Brown recommending using this money to open and fund an index account for benefit and accounts payable payments. He explained that each month we take away a good portion of money from the domestic Investment Managers to fund benefit and account payable payments. When this happens the managers have to sell off across their portfolios and it has a big impact on their cash flow and investing. Therefore if the board opens and funds an index fund and adds it as part of their asset allocation (under domestic equity), then they can pull the cash from there for payments when needed without interrupting the manager and their investing. Mr. Brown stated that he would recommend Vanguard for the index fund. He commented that most big and successful clients have this type of account in their portfolio because it is cheaper and will always be even with the market. He noted that the fees are approximately 60 basis points and that they would be purchasing an existing mutual fund account. The board discussed the index fund and asked Mr. Brown to bring back an asset allocation to the next meeting reflecting an allocation to the index fund.

Mr. Brown reviewed a new product with the board; PIMCO All Asset Fund and All Asset All Authority Fund. He explained that these are fund of fund products that an outside investor named Robert Arnott, who owns Research Affiliates, joined with PIMCO to buy their International stocks. Mr. Brown stated that these products add diversification to the portfolio and provide high returns. These are mutual fund type investment with daily liquidity. He briefly explained the difference between the All Asset Fund and the All Asset All Authority Fund. The All Assets Fund is more

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conservative and the other is more volatile, therefore he noted that his recommendation would be the All Asset Fund. Both Funds require a \$1M funding requirement. He reviewed the historic returns of both funds, which were great and most of the time outperforming the market because these funds protect against the high inflation periods. Therefore, Mr. Brown commented that rates will probably stay low until 2015, so the board does still have more time to look into this product. He stated that he will also bring more information on these 2 funds to the next meeting to discuss further.

Mr. Brown reviewed the September 30, 2012 quarterly report. He noted that this is the first quarter in 2 years that the plan outperformed for September 30. During the quarter the Plan gained about \$8.3M, which is a total of \$24.6M for the fiscal year. The Plan ended the fiscal year with a total of \$143,513,229 in assets, which is a new all time high for the Fund! Mr. Brown noted the withdrawals from Faye and the Boston Company over the last couple of months due to payment requests, and noted that these are the interruptions that he was referring to earlier when recommending the Vanguard index fund. For the quarter the fund outperformed the index at 5.87% versus 4.89%, and for the fiscal year the fund also outperformed the index and also the Plans assumed rate of return at 20.25% versus 18.93%. Mr. Brown also noted that all trailing periods have outperformed the index as well. He briefly reviewed the managers' performances during the quarter and stated that all managers outperformed the index except for Abbey; although Abbey was hired to protect on the downside. Also Templeton and the Boston Company are still on watch. All and all, Mr. Brown reported that the Plan had a great quarter and great fiscal year.

**APPROVAL OF MINUTES**

The Board reviewed the minutes of the October 11, 2012 regular meeting.

**A motion was made by Ron Frano to approve the minutes of the October 11, 2012 regular meeting. 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 Ron Frano 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 application for distribution of Share account (due to retirement) for Donnell Williams and the applications for DROP loans for Jerry Catoe and Kim Smoke-Couden.

The Trustees discussed Ms. Smoke-Couden's DROP loan application. It was noted the Ms. Smoke-Couden is a retiree of the Plan and also a beneficiary. The DROP account is not hers and was inherited as a beneficiary account. Ms. Jensen explained that according to the Special Act, only "members" of the Plan can take loans against their DROP account. The board reviewed the definition of a "member" and concluded that according to the Special Act Ms. Smoke-Couden is not a member when it comes to the DROP account that she inherited as a beneficiary of the plan. The board discussed allowing Ms. Smoke-Couden (in between meetings) a second option of withdrawing from the DROP account if needed either now or in January 2013 (up to the full amount of the account) instead of taking a DROP loan. Ms. Ross noted that

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she will relay this information to Ms. Smoke-Couden and if she does decide to take a withdrawal from the DROP account, then she will add it to the next agenda for ratification.

**A motion was made by Dave Merrell to approve the application for a distribution of Share account (due to retirement) for Donnell Williams. The motion was seconded by Ron Frano and carried 4-0.**

**A motion was made by Brian Walker to deny the application for a DROP loan for Ms. Smoke-Couden due to the Special Act language, however she is approved by the Board to take a distribution from her DROP account (up to her full balance) either now or in January 2013, if she so choose too. The motion was seconded by Ron Frano and carried 4-0.**

**A motion was made by Brian Walker to approve the application for a DROP loan for Jerry Catoe. The motion was seconded by Dave Merrell and carried 4-0.**

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

Ms. Jensen presented the board with the final Order regarding Lyonel Irurzun's application for a non-duty disability and his recent hearing with the board. The Order reviews the timeline of events and also outlines the actions that were taken by the board. She reviewed the Order with the Trustees for accuracy of events and actions that were made. The Trustees agreed with the Order.

**A motion was made by Dave Merrell to approve and execute the final Order for Lyonel Irurzun's non-duty disability application that was prepared by the Plan's Attorney. The motion was seconded by Ron Frano and carried 4-0.**

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

Ms. Ross presented the board with the 2013 meeting dates. Ms. Jensen asked the board's permission to change the meeting dates back to the 1<sup>st</sup> Thursday of each month instead of the 2<sup>nd</sup>. She noted that she spoke to Mr. Brown and Ms. Ross before the meeting to make sure that those dates did not interfere with their schedules. The board agreed to change the meeting dates back to the 1<sup>st</sup> Thursday of each month effective February 7, 2013. Ms. Ross commented that she will bring the revised 2013 meeting dates back to the next meeting.

**OTHER BUSINESS**

Ms. Ross presented the board with the September 30, 2012 class action report from Salem Trust. There were 2 class actions filed during the quarter, but no settlements.

The Trustees discussed a current member who was recently rehired. When he left a couple of months ago he took a refund of his contributions and forfeited any future pension benefit and also his Share account. He was recently rehired and they want to know if he was to repay his contributions, would his Share account be reinstated as well? The board briefly discussed and Ms. Jensen noted that she will bring back the current Share account policy to the next meeting for discussion.

Lastly Ms. Ross provided the board with an email update from Robbins, Geller, Rudman & Dowd regarding the pending DeVry litigation case. Ms. Stein from RGR&D

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stated that the motion to dismiss is fully briefed and as of yet there is no indication whether there will be oral argument or not. Ms. Ross noted that as more information becomes available she will update the board.

There being no further business and the next Pension Board meeting having been rescheduled for Thursday December 13, 2012 @ 1:30PM, the meeting adjourned at 4:12PM.

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Brian Walker, Secretary