

THE CITY OF WEST PALM BEACH RESTATED EMPLOYEES' DEFINED BENEFIT RETIREMENT SYSTEM

Minutes of Meeting Held July 24, 2007

A meeting of the Board of Trustees was called to order at 1:40 P.M. by the Chairman, Craig Kahle, in the City Hall 5th Floor Conference Room, 200 Second Street, West Palm Beach, Florida.

Those Trustees present were:

Alfredo Lay, Benny Rodgers, Robert Burd, Patrick Cooney and
Craig Kahle

Also present were:

Jeffrey Vaughn representing the Pension Resource Center
Mike Welker representing Bogdahn Consulting
Chris Grecco representing Sawgrass Asset Management
Don Frank representing Argent Capital Management
Kenneth Crawford representing Argent Capital Management

APPROVAL OF MINUTES

The Board reviewed the minutes for the special meeting held on July 3, 2007. **A motion was made by Benny Rodgers to approve the minutes for the three meetings. The motion was seconded and carried 5-0.**

STATEMENT OF INCOME AND EXPENSE

The Board reviewed the statement of income and expense of the fund, provided by the administrator. **The statement of income and expense was received and filed by the Board.**

APPROVAL OF DISBURSEMENTS

The Board reviewed the disbursement list provided by the Administrator. Mr. Rodgers asks when Bogdahn's fees are going to increase. Mike states that the fee increase will be on the next quarter billing. **A motion was made by Alfredo Lay to approve the disbursements beginning with check # 2291 and ending in check # 2294. The motion was seconded and carried 5-0.**

APPROVAL OF BENEFIT APPLICATIONS

Patrick asked the Board to approve the benefits without a calculation. Craig asks if PRC can loan the benefits to the two retirees until the Board approves. Craig continues expressing concern of time without pay for the retirees. Patrick asks that PRC advance funds to retirees. **A motion is made by Patrick Cooney for PRC to advance 80% of the benefit. The motion is seconded and carried 5-1 with Benny Rodgers opposing.**

Attorney Report: Adam Levinson

Adam opens the floor for any questions. Alfredo asks about paying a preliminary benefit to retirees who do not have a Board approval. Adam states that he would be comfortable with that so long as all information has been verified, such as separation of service. Adam states that the estimate could be based off of last years benefit statement. Alfredo states that he does not believe a benefit statement is being provided.

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Adam recommends sending a statement out to current members. Adam suggests amending the motion that was passed in regards to the benefit approvals reiterating that he feels that Board should pay a preliminary benefit. Patrick asks if the Board could have a meeting via teleconference. **Patrick Cooney makes a motion to amend his prior motion and to have the fund pay preliminary benefits to the two retirees (Robert Altman and Valdemar Baque). The motion is seconded and carries 5-0.**

Adam asks to go over divestiture as other Boards he represents were asking if they should be following FRS. Adam states that the Board can implement this in the investment policy.

With no other questions for Mr. Levinson, the Board thanks him for his time and the call is terminated.

Investment Manager Presentations:

Mike reviews both managers performance history stating that this class should mesh well with Dana. Mike reviews 3 year rolling totals comparing the two managers. Mike continues stressing that in a bear market; these managers should outperform their index. Mike points out that Argent has outperformed Sawgrass slightly however both managers are doing well. Mike reviews performance for both managers during poor markets showing both did very well against the benchmark in the 7 year trailing example. Mike states that these managers are being implemented to add diversification within the U.S. market. Patrick mentions that Sawgrass called him to ask what his concerns were in regards to pension funds. Patrick stated that he felt that the call was inappropriate and he did not comment. He stated that he replied to the person calling that he looked forward to meeting them and then he hung up the phone.

Argent: Don Frank, Kenneth Crawford:

Don states that Argent is a Large-Cap Growth manager and does not focus on any other type of investing. Don states that Argent has over 90 years of combined experience and \$923 million under management as of June 30, 2007.

Don reviews why Argent is a good choice for the Fund stressing how well the investment class meshes with Dana. Patrick asks what the company does to keep healthy. Ken mentions health program and office programs designed to promote good health.

Kenneth explains the investment decision process stressing that there is a focused team approach, bull/bear debate, portfolio manager vote and identify objections. Kenneth talks about "favorable odds" and how that is considered when selecting an investment.

Kenneth reviews the "representative portfolio" and discusses the holdings within the portfolio.

Don explains upside capture ratio (111.70%) and downside capture ratio (85.26%) stating that when the index goes up 100%, the portfolio returned 111.70% and when the index goes down 100%, the portfolio only went down 85.26%. Don states that it's important to not only outperform the benchmark in good market conditions but in poor conditions as well.

Benny asks to review pages 22-23 of the presentation. Mike asks why Argent had a bad down market ration in 5 year column. Ken explains that Argent experienced a bad 2nd quarter of 2006 due to holdings in information and technology.

The Board thanks Mr. Frank and Mr. Crawford for their time.

Sawgrass: Chris Greko

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Chris explains that when looking for an investment manager, it is important to look at future performance as well as historical performance. He mentions that Sawgrass is 100% employee owned, which stresses independent focus. Chris mentions that there has been no turnover since the inception.

Chris states that Sawgrass is a strong compliment to Dana Investment Advisors. Chris goes on to discuss when stocks are sold stating that they do so only when model scores deteriorate, fundamental factors experience significant change, risk profile realignment is necessary or strong price and volume break. Patrick asks how Sawgrass will perform in good market conditions versus the index. Chris states that Sawgrass should be greater than 100% on the up market ration. Chris states Sawgrass feels a shift to growth over value. Mike asks what the cost is. Chris states 60 basis points. Patrick asks how the firm makes investment decisions. Chris states that they follow the investment process of quantitative analysis, fundamental analysis, portfolio construction and implementation.

The Board thanks Mr. Greko for his time.

Patrick states that he is concerned about Sawgrass in that one person have the decision power. Patrick states that he is more comfortable with Argent. Leonna states that she leans towards Argent although Sawgrass's fees are more favorable.

Patrick Cooney makes a motion that Mike will negotiate fees with Argent. If Argent reduces fees to 60 basis points, Board will select them. If not, Board will vote at next meeting.

Alfredo leaves at 3:51.

There being no further business, Mr. Kahle adjourns the meeting at 3:53.

Benny Rodgers, Secretary