

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

MINUTES OF MEETING HELD

November 27, 2007

A regular meeting of the Board of Trustees was called to order at 1:34P.M. by Craig Kahle the in City Hall, Room 519, 200 Second Street, West Palm Beach, Florida.

Those Trustees present were:

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

Also present were:

Scott Baur representing the Pension Resource Center

Mike Welker representing Bogdahn Consulting, LLC

Michael Dana representing Dana Investment Advisors

**Note- mail packets to Alfredo Lay and Bob Burd*

The Trustees Patrick Cooney, Bob Burd and Benny Rogers will be attending the FPPTA Trustee School and need to be registered. Also Mr. Burd wanted to know if the Pension Resource Center ever received a letter in regards to Mr. Burd passing his second set of exams at the last FPPTA Trustee School held in October. The Pension Resource Center will check to see if it has arrived and let Mr. Burd know.

MINUTES

The Board reviewed the minutes for the meeting held on September 25, 2007. **A motion was made by Bob Burd to approve the Minutes for September 25, 2007. The motion was seconded by Benny Rogers and carried 5-0.**

The Board reviewed the minutes for the meeting held on October 30, 2007 and noted that the next meeting date was incorrect. **A motion was made by Bob Burd to approve the October 30, 2007 minutes as corrected. The motion was seconded by Benny Rogers and carried 5-0.**

**INVESTMENT MANAGER REPORT: (Dana Investment Advisors) –
Presented by Michael Dana**

Mr. Dana discussed the sub-prime crisis in which he described as anything other than a standard mortgage loan. He stated that the loans that required a 10% or 20% down payment had a lot of failure and loans that had 0% down are at sub-prime. The corrections on these loans have driven down housing prices which increased the default loans. Mr. Dana commented that the market does not like the uncertainty it is going threw now.

Mr. Dana reported there Fund is protected in the current market cycle to manage the risk that is involved. He thinks that volatility will continue to occur in the market until

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

NOVEMBER 27, 2007

housing prices actually fall and believes that there is a mortgage reset coming up next May or June. Mr. Dana also believes that the problem in the market will continue for another couple years, and falling interest rates may provide some kind of relief on the mortgage rate reset.

Mr. Dana then reviewed the asset allocations and sector distributions for the portfolio. He commented that Dana also manages relative growth products as well. Mr. Lay asked about the fuel cost and the trustees discussed energy alternatives and global warming and the effects. Lastly, Mr. Dana reviewed the performance of the equities and the bonds for the quarter ending 9/30/2007.

INVESTMENT CONSULTANT REPORT: (Bogdahn Consulting) – Presented by Mike Welker

Mr. Welker reported that the portfolio gained 11.77% for the fiscal year, which was slightly ahead of the benchmark at 11.68%. For the quarter the portfolio had a return of .74%. Mr. Welker stated that over 4 years there is return of 11.07% which ranks them in the 9th percentile.

Mr. Welker continued to report that the transition is underway to Argent Capital for their growth portfolio, as well as the allocation to the International Fund with Voyageur and Barring Assets.

Mr. Burd reviewed the revised Investment Policy Guidelines. He noted that the benchmark composition has changed. Mr. Welker explained that the equity benchmark cannot be fractionalized so he had to round, and he will also use the cash flow to rebalance. Mr. Levinson stated that has reviewed the revised Investment Policy Guidelines and everything looked good and now the Board had the Attorney's approval. **A motion was made by Bob Burd to accept the changes to the Investment Policy Guidelines that were provided by the Investment Consultant. The motion was seconded by Alfredo Lay and carried 5-0.**

STATEMENT OF INCOME AND EXPENSE

The Board reviewed the statement of income and expense of the fund for the month of October provided by the Administrator. **The Board received and filed the Statement of Income and Expense.**

DISBURSEMENTS

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

NOVEMBER 27, 2007

The Board reviewed the disbursement list presented. **A motion was made by Alfredo Lay to approve the disbursements for the month of November. The motion was seconded by Benny Rogers and carried 5-0.**

BENEFIT APPLICATIONS

The Board reviewed the Benefit Applications provided by the Administrator. **The Benefit Applications were approved by the Board without a motion since they were final approvals for their retirement applications.**

**Note- the Board would like back-up paperwork for all the Benefit Applications*

Mr. Lay reminded the Pension Resource Center that the retirees get paid early in the month of December, and that the Board still needs to approve the COLA increases for 2008.

ATTORNEY REPORT: (Klausner& Kaufman) – Presented by Adam Levinson

**Mr. Levinson joined the meeting via teleconference*

Mr. Levinson reviewed the social security memo that was given out at the meeting. He explained to the Board how social security numbers are assigned and how people can detect a lot of personal information from them. Mr. Levinson stated that there are new laws that require a disclosure and a written policy on the usage of social security numbers and when they should be used, and he has to send this policy to the state to be certified by January 31, 2008. Mr. Levinson wants this issue to be put on the Agenda for further discussion at the next meeting.

Lastly, Mr. Levinson mentioned to the Board that they want to take there time on reviewing the Investment Managers Agreements as there is a lot of information enclosed.

ADMINISTRATIVE REPORT: (The Pension Resource Center) – Presented by Scott Baur

Mr. Baur discussed the changes to his firm and he will provide the Board with a written proposal that will become effective on January 1, 2008

OTHER BUSINESS

N/A

ADJOURN

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

NOVEMBER 27, 2007

There being no other business, and the next meeting having been scheduled for December 18, 2007, the meeting was adjourned.

Benny Rodgers, Secretary