

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Special Board Meeting 08-09**

Held on the 28th day of May 2008 at Robert J. Conlan Professional Center, 1501 R. J. Conlan Blvd., NE, Suite 260, Palm Bay, Florida.

This meeting was properly noticed pursuant to law; the minutes are on file in the Office of the City Clerk, City Hall, Palm Bay, Florida.

Richard B. Adams, Chairperson, called the meeting to order at the hour of 9:02 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Brd Appt
Timothy W. Lancaster, Trustee, Police Elected
Douglas R. Smith, Trustee, Fire Elected
James W. Brock, Trustee, City Council Appt

EXCUSED

William A. Yonce, Sr., Vice Chairman,
City Council Appt

Also in attendance was Kathy Adams, Board Administrator. Ms. Joyce Dias, Human Resources Analyst II, City of Palm Bay. Mr. Brock arrived at 9:23 a.m.

Motion by Mr. Lancaster, seconded by Mr. Smith to excuse Mr. Yonce as he was at a Lieutenant's board for the fire department and Mr. Brock as he would be arriving late. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; and Mr. Adams, Yea.

OLD BUSINESS:

1. Selection of a Consulting Firm for the Performance Management of the Pension Fund.-There was discussion about Mr. Yonce wanting to visit the firms before making a final decision. Mr. Smith said he felt the board should make a decision now. There was further discussion on the International Fund. Mr. Adams said he discussed this fund with Mr. Myton, Trusco, and he said they could custody it. The real issue was the 12b-1 fees versus no 12b-1 fees. Mr. Adams said Mr. Kalson's client, Orlando, is doing a request for proposal for a consultant. Mr. Lancaster said Orlando does a search every three years. Mr. Adams said the goal should be to look for a team player that can work with the board. Mr. Adams, Mr. Smith and Mr. Lancaster discussed the various presenters. Mr. Brock arrived at the meeting and discussed the various presenters. Citigroup was large and there may be issues later with conflict of interest. Dahab has sufficient clients in Florida. Mr. Bogdahn is an impressive speaker, but there was concern about whether he would be a team player and concern about being a cookie-cutter portfolio. There was concern about Mr. Kalson's office size; his office is in Pennsylvania; and the fee structure is high. The board was impressed that he came personally to the meeting for the presentation and felt he would be creative. The board felt it would be an easy transition with Burgess Chambers as Larry had worked at SunTrust and Merrill Lynch and that would be an advantage. He stressed ethics; the fees were reasonable; the fund

PBP&F Pension Fund
Special Meeting 08-09
May 28, 2008

would be one of their bigger clients; close in proximity to the pension office and strong office staff. They would definitely be in the top two as they are familiar with the fund and with plans of the same type in the state. The relationship was there and Mr. Cole was candid about their competition without being negative. Mr. Cole also stated 75% of his Merrill Lynch clients went with him to Burgess Chambers and felt a few more would follow him. The board had Mr. Swanson with Southeastern Advisory as their consultant for a lot of years. He had a good presentation, comparing him to Mr. Cole. Mr. Cole would present them differently. There was concern about the timing of Mr. Swanson leaving Merrill Lynch. The board expressed concern that if that happened again whether or not he would stand by the board. His business integrity is at a high level with good ideas. He has a lot of Florida clients and is involved with the FPPTA. There was concern about the Wells letter from the SEC and his response to the board about it. Mr. Lancaster referred to his comments about JP Morgan domestic infrastructure product actually being 98% overseas. His presentation was excellent. Mr. Adams discussed the real estate portfolio.

The board ranked the firms as follows:

1. Burgess Chambers & Associates
2. Dahab Associates, Inc.
3. Southeastern Advisory Services
4. Kalson & Associates
5. The Bogdahn Group
6. Citigroup Institutional Consulting

There was further discussion about Mr. Yonce visiting the office sites. Mr. Lancaster recommended limiting the visits to the top two firms selected. He said the on-site visits should be done prior to the June 4th meeting. Motion by Mr. Brock, seconded by Mr. Lancaster to authorize two on-site visits by Mr. Yonce and to pay per diem or reimbursement for breakfast, lunch, tolls, and mileage at the approved rate. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; Mr. Smith, Yea; and Mr. Adams, Yea. Ms. Adams said she would send letters to those not chosen and to contact the top two for arrangements for an on-site visit.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:16 a.m.

Richard B. Adams, Chairperson

ATTEST:

Timothy W. Lancaster, Secretary