

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING HELD

August 29, 2008

Alan Park called the meeting to order at 9:15 AM in the Conference Room of Fire Station 100 located at 2800 SW 184th Avenue, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

Alan Park, Chairman
Jay Gillette, Secretary
S. Robert Rubin, Trustee
Susan Finn, Trustee
Noel Marti, Trustee

OTHERS PRESENT

Bonni Jensen; Hanson, Perry & Jensen; Counsel
Denise McNeill; Resource Center; Administrator

Other members of the Plan

TRUSTEES ABSENT

James Estep; Advisory Board
Steven Wells; Advisory Board
Leo Nunez; Advisory Board

Mrs. Jensen advised that the proposals to be presented are all within a similar fee range and all have agreed to be a fiduciary to the Pension Plan. The Trustees discussed questions to ask each presenter.

DAHAB ASSOCIATES

Greg McNeillie of Dahab presented a proposal to the Board. He introduced himself and provided the Board with the history of Dahab Associates. He explained that, of their 14 employees, four handle the clients directly. He explained that either he or Jeff Lee would attend board meetings. Mr. McNeillie advised that a team of three people would be assigned to the account; Greg McNeillie as lead (primary) consultant, David Lee as secondary consultant and an analyst. He further advised that all reports are completed "in house" and that 15-20 clients were assigned per consultant. Mr. McNeillie explained that their goal is to provide detailed research, information and education in an effort to help the Board make informed decisions. The Trustees inquired of any changes Mr. McNeillie would recommend after his initial review. Mr. McNeillie advised that he typically encourages a mix of active and passive management, as clients with that combination have experienced the best results in the past 20 years. Mr. McNeillie confirmed the fee of \$16,500 is a fixed amount and would be guaranteed for three years. Mr. Park noted that he has met both Rich Dahab and Mr. Lee in the past and was impressed by their knowledge. Mrs. Jensen questioned if Dahab will provide a stock by stock analysis on the passive portfolio and Mr. McNeillie confirmed that each stock would be reviewed. Mr. McNeillie departed at 9:50 A.M.

THISTLE ASSET CONSULTING

John McCann of Thistle Asset Consulting presented a proposal to the Board. He introduced himself and provided the Trustees with the history of the company, previously

Gabriel Roeder Smith & Company Asset Consulting. Mr. McCann explained that there are four consultants in the company, with 10 clients per consultant. Mr. McCann explained that both he and Brandan Vavrico would be consultants for the Plan. The Trustees inquired of any changes Mr. McCann would recommend after his initial review. Mr. McCann explained that although the Plan is well diversified, he would recommend changing some of the current passive management to active management and suggested reducing the equity allocation. Mr. McCann reviewed the research process in detail. He then reviewed information related to the normal process of risk versus return. Discussion followed regarding active versus passive management. Mr. McCann confirmed the fee of \$24,000 would be guaranteed for three years and if services were terminated within the first year, the full amount of the fees charged would be refunded back to the Plan. John McCann departed the meeting at 10:30 A.M.

SOUTHEASTERN ADVISORY

Jeffrey Swanson greeted the Board members and provided information related to Southeastern Advisory. He explained that Southeastern Advisory is as Wilshire Co-op firm with access to information provided by Wilshire Associates. Mr. Swanson explained there are six consultants with approximately eight clients per consultant. Mr. Swanson is currently handling twelve public fund clients. Mr. Swanson reviewed the manager search process. The Trustees inquired of any changes Mr. Swanson would recommend after his initial review. Mr. Swanson advised that the real estate diversification has provided a significant asset to the plan over the past two years, however due to the market; he would recommend the Board consider lowering their real estate portfolio and utilizing other types of "real" assets related to clean energy, infrastructure, commodities and shipping. He further explained that he would recommend putting Independence under review and inquire into the status of their company. Mr. Swanson confirmed the fee of \$25,000 which is below the company's standard fee and advised he could offer a \$20,000 minimum annual fee with a three year rate guarantee. Mr. Swanson departed the meeting at 11:03 A.M.

BOGDAHN CONSULTING

Joe Bogdahn introduced himself and presented a proposal for services. He provided the Trustees with information regarding his company, noting that 85% of their client base was Fire, Police and General employee pension plans. Mr. Bogdahn explained that their fee of \$41,000 is fully refundable if the relationship is terminated within the first year. Mr. Bogdahn advised that their company accounting information is open to all clients, as they feel that is truly the only way to determine if a company is 100% independent and not receiving income from investment management firms. He explained that specific projections can be processed for the Plan since they are using the same technology used by many actuaries. The Trustees inquired of any changes Mr. Bogdahn would recommend after his initial review. Mr. Bogdahn addressed the high equity allocation explaining that he would recommend further diversification by reducing the domestic equity, adding TIPS, CIPS and infrastructure to the portfolio, and further diversify the existing international equity portfolio. Mr. Bogdahn confirmed the rate would be guaranteed for three years. He further advised that the Plan would have less volatility and would realize more income to the Plan with the changes suggested. Mr. Bogdahn explained that he is willing to lobby with the municipality on behalf of the Plan to help change the Ordinance allowing for additional asset classes. The typical client ratio for their company is less than 15 clients per consultant. He explained that Jennifer Kute would be joining the firm from ICC Capital and she would be the consultant assigned to the Plan. Joe Bogdahn departed the meeting at 11:35 A.M.

Lengthy discussion followed regarding the presentations, knowledge of the person presenting, the size of each company and the cost of the services. The Trustees noted they were impressed with Mr. McNeillie's knowledge and strong communication skills.

- Bob Rubin made a motion to contract with Dahab Associates for monitoring services for the all inclusive fee of \$16,500; In the event an agreement cannot be worked out with Dahab, the alternate selection is Thistle Asset Consulting with the fee of \$24,000. The motion received a second by Noel Marti and was approved by the Trustees 5-0.

OTHER BUSINESS

Bonni Jensen presented an updated Board resolution for Northern Trust reflecting the current Trustees to be listed as eligible signors.

- Bob Rubin made a motion to accept the resolution requiring two signatures for transactions to be processed. The motion received a second by Sue Finn and was approved by the Trustees 5-0.

ADJOURNMENT

There being no further business,

- Bob Rubin made a motion to adjourn the meeting at 12:10 P.M. The motion received a second by Noel Marti and was approved by the Trustees 5-0.

Respectfully submitted,

Jay Gillette, Secretary