Chairperson Dwight Mattingly called the meeting to order at 10:32 A.M. in the Dale R. Smith Conference Room at the Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida.

TRUSTEES
Dwight Mattingly
Frank Stanzione
Liz Bloeser
Nancy Bolton

OTHERS PRESENT
Chad Little, Freiman Little Actuaries
Burgess Chambers, Burgess Chambers & Associates
Robert Sugarman, Sugarman & Susskind
Nick Schiess, Pension Resource Center
Bonni Jensen, Law Office of Perry & Jensen
John Murphy, Palm Tran

APPROVAL OF THE AGENDA

The Board reviewed the agenda for the meeting. A motion was made by Liz Bloeser to approve the agenda. The motion was seconded and carried 4-0.

INVESTMENT CONSULTANT REPORT: BURGESS CHAMBERS

Burgess Chambers appeared before the Board on behalf of Burgess Chambers and Associates to provide a report on the investment performance of the portfolio for the quarter ending December 31, 2009. He reported that for the quarter, the investment return for the total portfolio was 3.8% versus 4.3% for the index and for the calendar year was 21.2% versus 26.9% for the index. He reported that the underperformance was attributable to the underperformance within the Galliard Capital Management fixed income portfolio and also an underweighting in equities. Mr. Chambers reviewed the asset allocation noting that the underweighting in equities was corrected during the last quarter. He then reviewed the performance of the individual investment products in great detail noting all was satisfactory except the calendar year return of only 8.0% versus 11.4% for the Galliard Capital Management fixed income portfolio. He discussed the long-term performance of the portfolio managed by Galliard Capital Management, noting that it was satisfactory and attributed the short-term underperformance to an underweighting in corporate securities during a period in which the market favored this particular sector allocation. He ultimately recommended the retention of the Galliard Capital Management and the Board agreed.

Mr. Chambers continued his report with a review of the asset allocation, noting that all allocations were within policy guidelines and at target except for REITs, which were intentionally underweighted.

Mr. Chambers reviewed the risk and reward measurements of the portfolio noting that long-term outperformance of the benchmark had been attained with significantly less risk.
ACTUARY REPORT: CHAD LITTLE

Chad Little reported that he had attended a meeting with the collective bargaining representatives of the Union and County on December 10, 2009 to discuss the funding of the Plan.

Mr. Little advised that he had received a report from the Administrator that the 2009 fiscal year data would soon be provided to his office and he would then commence the preparation of the January 1, 2010 actuarial valuation.

Mr. Little reported that he had been contacted by Jim Linn, who had been retained by the County to investigate a yet unknown matter. Mr. Little requested direction from the Board on how to proceed. A lengthy discussion ensued regarding the intent for the request and the process of providing information requested. Nancy Bolton made a motion to authorize Mr. Little to disseminate and discuss any actuarial studies that have already been completed, but not provide any consulting unless a request for this consulting came jointly from Union, and provided that a bargaining representative from the Union was a party to the discussion, and with all arrangements for the telephonic discussion to be made through the Administrator. The motion was seconded and carried 4-0. A discussion then arose regarding any potential requests for information from the Plan Attorneys. Nancy Bolton made a motion to authorize the Plan Attorneys to disseminate and discuss any legal work that has already been completed, but not provide any legal opinions unless a request for an opinion came jointly from with Union, and provided that a bargaining representative from the Union was a party to the discussion, and with all arrangements for the telephonic discussion to be made through the Administrator. The motion was seconded and carried 3-1, with Dwight Mattingly dissenting. Mr. Mattingly expressed concerns that the intent of the investigation conducted by Mr. Linn was unknown.

ATTORNEY REPORT: BONNI JENSEN

Bonni Jensen discussed an opinion issued by the Attorney General Office regarding the attendance of Trustees via electronic means for informal workshops, noting that this was allowable and only a minor adjustment of the language published within meeting agendas was required.

Ms. Jensen provided a revised Special Tax Notice.

A discussion arose regarding the crediting of accrued leave payout, specifically whether it should be credited to determine total earnings in the year it was issued or the year of termination. It was noted that many members retire at the end of December and sometimes due to a payroll malfunction their accrued leave payout is not issued until January of the following year. It was then noted that the Plan Document defined compensation for the purpose of determining benefits as earned compensation and since accrued leave payout is actually earned prior to termination the Trustees determined that
the accrued leave payout should be credited in the year of termination regardless of the date it is actually issued. The Board requested Ms. Jensen to draft a policy for the Board’s consideration to clarify the matter.

The meeting recessed from 12:02 P.M. to 12:35 P.M. for lunch.

**ATTORNEY REPORT: ROBERT SUGARMAN**

Robert Sugarman discussed the repayment of contributions and restoration of service provisions for active members that have been previously terminated and subsequently reinstated though the grievance process. Mr. Sugarman issued a legal opinion that members must repay any withdrawn contributions and have their service credit restored because the situation should be considered as if the member was never terminated. The Administrator was requested to research the members who have been reinstated through the grievance process that have received a refund of their contributions.

**FINANCIAL STATEMENTS**

The Board reviewed and then received and filed the un-audited statements of income and expense and balance sheet for the period ending December 31, 2009.

**APPROVAL OF DISBURSEMENTS**

The Board reviewed the disbursements provided for approval. Frank Stanzione made a motion to approve the disbursements as presented. The motion was seconded and passed 4-0.

**BENEFIT APPROVALS**

There were no benefits presented for approval.

**ADMINISTRATIVE REPORT**

Nick Schiess reported that the conversion from SunTrust to TD Bank had been completed and notification had been sent to the retirees along with their direct deposit advices and benefit payments.

Mr. Schiess reported that the staggered reallocation of the investment accounts had been completed pursuant to the Board's direction.

**OTHER BUSINESS**

Robert Sugarman presented a final draft of proposed Amendment Five for the Board’s consideration inclusive of the revisions requested by the Trustees at the last meeting. The Amendment revised the death benefits of the Plan as mandated by a recent revision of the Uniform Services Employment and Reemployment Act. Chad Little advised that the
Amendment had no measurable impact on the cost of the Plan and agreed to issue an actuarial impact statement. **Liz Bloeser made a motion to adopt Amendment Five. The motion was seconded and passed 4-0.**

The Board reviewed an Application for Disability Benefits received from Frederick Fashaw. A lengthy discussion arose regarding Mr. Fashaw’s eligibility for disability benefits because he had terminated service several years before submitting an Application, however, only recently was he awarded Social Security disability benefits. It was noted that Mr. Fashaw had expressed concern over his privacy and the discussion of his specific medical condition during a public meeting. But it was also noted that the Trustee must discuss his medical condition during the consideration of his Application and were bound by State Statutes to only discuss business of the Plan at public meetings. The Board decided upon the recommendation of counsel to resume consideration of the matter at the next meeting and invite Mr. Fashaw to the meeting to address his concerns over his privacy.

**SCHEDULE NEXT MEETING**

The next quarterly meetings were scheduled for May 27, August 26 and December 2, 2010.

**ADJOURNMENT**

The meeting was adjourned at 2:45 P.M.

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Secretary