Chairperson Dwight Mattingly called the meeting to order at 10:35 A.M. in the Dale R. Smith Conference Room at the Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida.

<table>
<thead>
<tr>
<th>TRUSTEES</th>
<th>OTHERS PRESENT</th>
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<tbody>
<tr>
<td>Dwight Mattingly</td>
<td>Chad Little, Freiman Little Actuaries</td>
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<td>Frank Stanzione</td>
<td>Frank Wan, Burgess Chambers &amp; Associates</td>
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<tr>
<td>Nancy Bolton</td>
<td>Ken Harrison, Sugarman &amp; Susskind</td>
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<td>Liz Bloeser</td>
<td>Nick Schiess, Pension Resource Center</td>
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<td>Bonni Jensen, Law Office of Perry &amp; Jensen</td>
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<td>John Murphy, Palm Tran</td>
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**ELECTION OF BOARD OFFICERS**

A motion was made by Liz Bloeser to nominate Dwight Mattingly as Board Chairperson. The motion was seconded and the subsequent vote was unanimous to elect Mr. Mattingly as Board Chairperson. A motion was made by Dwight Mattingly to nominate Liz Bloeser as Board Secretary. The motion was seconded and the subsequent vote was unanimous to elect Ms. Bloeser as Board Secretary.

**APPROVAL OF THE AGENDA**

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

**APPROVAL OF MINUTES**

The Trustees reviewed the minutes for the meeting held on December 1, 2011. A motion was made by Nancy Bolton to approve the minutes for the meeting held on December 1, 2011. The motion was seconded and passed 4-0.

**ACTUARY REPORT: CHAD LITTLE**

Chad Little announced that in conjunction with the preparation of the next actuarial valuation, the State now required an additional report of the valuation results prepared with a standardized 7.75% investment return assumption, which would result in an additional fee estimated at $500.

The Board discussed the funding status of the Plan. Dwight Mattingly provided an update on the status of collective bargaining, noting that it was hoped that the matter would be resolved soon. Nancy Bolton noted that the matter had been before collective bargaining for a substantial amount of time and requested the Board consider the commission of an actuarial study to determine what level of benefits can be supported by the current level of contributions. Mr. Mattingly suggested deferring the matter for sixty days to allow for
a possible resolution within collective bargaining. A lengthy discussion ensued. Ms. Bloeser noted for the record that the funding deficit had increased from $299K to $5M while waiting for a resolution through collective bargaining. The Board questioned legal counsel whether deferring the matter another sixty days was still fulfilling the Trustees’ fiduciary responsibility and Ken Harrison advised that deferring the matter was an acceptable option because the Board has information that the matter might be resolved through collective bargaining. The Board agreed to schedule a special meeting in sixty days if the matter was not resolved through collective bargaining.

ATTORNEY REPORT: BONNI JENSEN

As a legislative update, Bonni Jensen announced that no new proposed State legislation regarding governmental pension plans was likely to occur by the end of the current legislative session.

Ms. Jensen reviewed rulings on filing gift disclosures issued by the Commission of Ethics.

Ms. Jensen reviewed information received on the alleged public entity crimes of former employee Melisa Siladke and discussed State Law regarding the forfeiture of pension benefits. She advised that additional information would need to be gathered and a hearing would need to be scheduled. Nancy Bolton made a motion to schedule a pension forfeiture hearing based upon the information issued by the Office of Inspector General for Palm Beach County. The motion was seconded and passed 4-0.

APPROVAL OF DISBURSEMENTS

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

FINANCIAL STATEMENTS

The Board reviewed and then received and filed the unaudited statements of income and expense and balance sheet for the fiscal year through December 31, 2011.

BENEFIT APPROVALS

The Board reviewed the benefit approvals presented for approval. Liz Bloeser made a motion to approve the benefit approvals as presented. The motion was seconded and passed 4-0.
ADMINISTRATIVE REPORT

Nick Schiess provided a report on several educational workshops that had been conducted for active members, noting that several more were scheduled.

As a follow up to the last meeting, Mr. Schiess reported that Delroy Lopez had executed a promissory note for repayment of contributions owed to the Plan as a result of a payroll glitch.

Nancy Bolton departed the meeting.

OTHER BUSINESS

The Board considered the Application for Disability Benefits submitted by Narad Ramkelawan. It was noted that Mr. Ramkelawan had met the service requirements for a disability pension and had been awarded disability benefits from the Social Security Administration. It was further noted that he had applied for up to a year of service credit for non-working periods due to the same disability as provided for within the provisions of the Plan. Liz Bloeser made a motion to approve the Application for Disability Benefits submitted by Narad Ramkelawan and award up to a year of service credit for the period he was not in service for his disability all pursuant to the provisions of the Plan. The motion was seconded and passed 3-0.

The Board reviewed a complaint from the spouse of a retired member, Robert Morgan, alleging that she had not signed the spousal consent form acknowledging that she was not due a survivorship benefit from the Plan and the signature on the form was a forgery. After a lengthy discussion, the Board directed legal counsel to research the matter and report back to the Board.

A discussion arose regarding establishing procedure for the reception of comments and questions from the membership at meetings and it was noted that public comment was by past practice always permitted and had been received at the end of meetings. Active member Charlie Bottger expressed concerns that non-union members were not represented and therefore have no input with regards to their pension benefits. Dwight Mattingly explained that the Union operates for all employees’ best interests and the benefits negotiated by the Union benefits all employees. Active member Rosanne Voils inquired regarding establishing representation and was advised that the non-union members could form a union or the Trust Agreement would have to be revised to permit an additional Trustee on the Board.

The meeting recessed from 12:15 A.M. to 12:40 P.M. for lunch.
INVESTMENT CONSULTANT REPORT: FRANK WAN

Frank Wan provided a report on the performance of the investment portfolio for the quarter ending December 31, 2011. He reported that for the quarter, the investment return for the total portfolio was 6.0% versus 6.0% for the index, and for the fiscal year was -0.2% versus 1.3% for the index.

Mr. Wan reviewed the performance of the individual investment managers, noting all was satisfactory. He then reviewed the compliance checklist, noting improvement in the achievement of performance objectives. He then discussed the asset allocation, noting it was satisfactory.

Mr. Wan was reminded that policy decisions were being based upon the expected rate of return and was again questioned whether the expected rate of investment return of 8.0% annually was achievable. He responded that the expected rate of investment return was reasonable and achievable.

A discussion arose regarding the proxy voting for the holdings within the investment portfolio. Fran Wan explained that proxy voting was delegated to the individual investment managers who conducted the voting according pre-established policies, which were usually aligned with achieving the highest investment return for their clients. Mr. Wan was directed to request the proxy voting records and policies from the Plan’s investment managers.

ATTORNEY REPORT: KEN HARRISON

Ken Harrison reported that no updates had been received from the Internal Revenue Service on the status of the application for a tax determination letter, but it was anticipated to take a year or longer to complete the process.

PARTICIPANT COMMENTS

Active member Rick Gonzales questioned how the funding deficit of the Plan had grown to over $5M and Chad Little discussed the history and growth of the deficit. Mr. Gonzales expressed concerns that non-union members were not represented and was informed that all the Trustees served the best interests of all members and the Plan. He then questioned how a non-union employee could be appointed to the Board and was informed that he could petition the County, which appoints two Trustees on the Board.

OTHER BUSINESS

Nancy Bolton returned to the meeting. Nick Schiess presented a quote for the renewal of the crime insurance coverage. After a discussion of the merit and cost of the coverage, Nancy Bolton made a motion to renew the crime insurance coverage. The motion was seconded and passed 4-0.
SCHEDULE NEXT MEETING

The Board directed the administrator to reschedule the next quarterly meeting previously scheduled for May 24, 2012.

ADJOURNMENT

The meeting was adjourned at 2:17 P.M.

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Secretary