

BOARD OF POLICE & FIRE PENSION FUND COMMISSIONERS
MINUTES FROM SPECIAL MEETING HELD AT DODGE & COX ,
SAN FRANCISCO, OCTOBER 4, 2007

Pension Board Chairperson Kim Denton call the special meeting of the Police & Fire Pension Fund Board to order at the offices of Dodge and Cox, Bank of America Building, San Francisco on Thursday, October 4, 2007 at 1:02 PM.

ROLL CALL

PRESENT: Board Members Jacqueline Bucholz, Jewel Okawachi, Chairperson Kim Denton.

ABSENT: Board Members Richard Courtney and Archie Stirling.

Guests: Charles Adams, Finance Director for the City of Albany, Representatives from Dodge & Cox: Steve Cassriel and Bob Thompson. Telephone Conferencing from the offices of Wurts and Associates was Scott Whalen.

PRESENTATION BY DODGE & COX REPRESENTATIVES: STEVE
CASSRIEL & BOB THOMPSON

The Police & Fire Pension Board portfolio is approximately \$14.35 million with 10% being withdrawn annually for pension payments to retirees or surviving spouses that are participants in the fund. Continuing with the current asset allocation the administrating cost percentage will continue to go up in relationship to the fund as the fund decreases over time.

Discussion revolved around changing from the existing asset location to broadening the ability to invest internationally rather than holdings in global companies who have ties to the US market. As merging nations, such as Africa, Brazil, Mexico; enter into the market; theoretically there are an additional 5 billion consumers.

Dodge and Cox offered an option that would allow the fund assets to be spread (percentages not discussed) over three areas:

Income / Stock (like it is currently) / International.

Moving into this Mutual Fund type of plan would reduce the costs to administer the fund. There would be fewer trades that incur charges from Union Bank.

Wurts and Associates would still be monitoring the activity and making any recommendations for the overall performance of the fund.

Under the process being presented, there would be limited ability to set a few of the requirements of the International companies being considered for the portfolio.

Dodge and Cox would be able to help provide the proper wording that could be used to create such a proposal for submission. Their legal department would verify the legality of the wording.

If there are future questions or inquiries as the Pension Board Commissioners start analyzing the prospects of any changes, Dodge and Cox will be available.

ADJOURNMENT

The meeting adjourned at 1:45 PM.

Kim Denton, Chairperson
ATTEST:

Eileen A. Harrington, Secretary