

**FIRE AND POLICE PENSION ASSOCIATION
BOARD OF DIRECTORS
SPECIAL Board Meeting
November 13, 2009
FINAL Agenda**

8:30 a.m. Call to Order - SPECIAL Board Meeting

1. FPPA Hearing Officer Appointment
2. MountainView Investment Recommendation
FPPA Staff

9:00 a.m. ADJOURN

**FIRE AND POLICE PENSION ASSOCIATION
MINUTES – SPECIAL BOARD OF DIRECTORS MEETING
November 13, 2009**

BOARD MEMBERS PRESENT: Chairman Leo Johnson, Kirk Miller, Lyle Hesalroad, Todd Bower, Jack Blumenthal and Monica Cortez-Sangster (by conference call).

BOARD MEMBERS ABSENT: Vice Chairman Tim Nash, Cliff Stanton and Sue Eaton.

STAFF MEMBERS PRESENT: Dan Slack, Kevin Lindahl, Scott Simon, Gina McGrail, Kim Collins, Austin Cooley, Jeff Kaszubowski, Sean Ross and Janette Hester.

OTHERS PRESENT: Neil Rue and John Linder, Pension Consulting Alliance; Nancy Williams, Ennis Knupp + Associates.

Notice of this meeting and a copy of the agenda were posted in the building lobby of the FPPA office and on the FPPA website at least twenty-four hours prior to the meeting.

At 8:30 a.m., Chairman Leo Johnson called the meeting to order and noted that there was a quorum present. Chairman Johnson welcomed new Board members Jack Blumenthal and Lyle Hesalroad, and newly reappointed Board member Todd Bower.

FPPA Hearing Officer Appointment

Kevin Lindahl reported to the Board that FPPA had received the resignation of Hearing Officer Julie Swanberg. Mr. Lindahl provided background information, stating that Hearing Officer Swanberg had recently moved to a new law firm and was not able to continue serving as an FPPA Hearing Officer. FPPA has a case pending that requires the immediate appointment of a replacement for Hearing Officer Swanberg. Mr. Lindahl and staff recommended the appointment of Stacy J. Tarler of the firm Thomas Pollart & Miller LLC as Hearing Officer for a term that would commence on November 13, 2009 and terminate on December 31, 2009. Mr. Lindahl answered questions from the Board.

Todd Bower made a motion to appoint Stacy J. Tarler as Hearing Officer for a term that would commence on November 13, 2009 and terminate on December 31, 2009. Kirk Miller seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY.

MountainView Investment Recommendation

Scott Simon provided a memorandum to the board regarding an investment opportunity with MountainView Capital Holdings (MVCH) for private pools of capital to purchase residential whole loans at significantly discounted value. Mr. Simon reported that MVCH has nearly completed investing Fund I, a \$79 million fund raised in 2008. An FPPA investment in Fund II would be included in FPPA's approved Opportunistic Fixed Income allocation. Fund II will seek to generate attractive risk-adjusted returns based on investments in performing and non-performing first lien residential mortgage whole loans. Fund II is targeting a 60% allocation to performing loans and 40% to non-performing loans. The total target return for this strategy is approximately 16%. Mr. Simon reported that MVCH has a dedicated internal due diligence department that will re-underwrite 100% of the underlying loans to assess value and risks in an effort to properly price each investment. Mr. Simon and staff conducted due diligence, with a review of staff's due diligence and a concurrence opinion being provided by Neil Rue and John Linder, consultants at Pension Consulting Alliance (PCA). Mr. Simon reviewed the primary risks and the investment merits. He reviewed the fee structure for the investment and answered questions from the Board. Mr. Simon and staff recommended approval of an initial investment commitment of \$15 million to MountainView Mortgage Opportunities Fund II on the first close and an additional \$5 million commitment at a later date, if MVCH successfully raises additional third-party capital.

Mr. Miller made a motion to authorize an investment commitment up to \$20 million to MountainView Mortgage Opportunities Fund II. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY.

At 9:10 a.m., Mr. Bower made a motion to adjourn the meeting. Mr. Miller seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY.