

**THE CITY OF WEST PALM BEACH RESTATED EMPLOYEES'  
DEFINED BENEFIT RETIREMENT SYSTEM**

**MINUTES OF MEETING HELD  
MARCH 24, 2009**

A regular meeting of the Board of Trustees was called to order at 1:38 P.M. by Craig Kahle in the City Hall, Human Resources Department (3<sup>rd</sup> Floor) Conference Room 4.23, 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Craig Kahle, Chairman  
Benny Rodgers, Secretary  
George Hurley, Trustee  
Robert Burd, Trustee  
Patrick Cooney, Trustee  
Lee Anna Claridge, Trustee  
William Swisher, Trustee

Also present were:

Audrey Ross, Administrator - Tegrit Plan Administrators  
Brad Armstrong, Actuary – Gabriel, Roeder, Smith & Company

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**PUBLIC COMMENTS**

N/A

**BOARD DISCUSSION – 2008 AUDIT REPRESENTATIVE LETTER**

Mr. Kahle explained that he was not present when the auditors came and presented the report. After looking at the report he listed a couple of items that he found within the audit that he has questions about. The board had a lengthy discussion on AIG and how they should be represented within the audit. Also, it was noted that if AIG failed it would be the City's responsibility to pay out the members, not the responsibility of the pension fund. The board came to some conclusions and agreed to sign the management representative letter.

**2008 ACTUARIAL VALUATION REPORT – GABRIEL, ROEDER, SMITH & COMPANY (PRESENTED BY: BRAD ARMSTRONG)**

Mr. Armstrong presented the board with the 2008 Actuarial Valuation Report. He commented that September was the worst month in 2008. He reviewed the plans funding objective and stated that it is to keep contributions low and which they have been.

Mr. Armstrong reviewed the plans assets and numbers for the fiscal year. As of 9/30/08 the fund had \$21,107,062 in assets with \$273,842 in employee contributions and \$1,579,325 in employer contributions. He explained that

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AIG holds \$24,322,748 of those assets. There were 75 active members, 132 retirees and 3 vested members as of 9/30/08.

Mr. Armstrong reported that the City's new contribution rate for the fiscal year beginning October 1, 2008 is \$2,096,896. He did note that the City does pay their contribution in the beginning of the fiscal year to catch an interest break. The City's contribution in 2007 was \$1,470,612. He explained that the increase from year to year was due to the investment increases which were less than expected and also more retirees than expected.

Mr. Armstrong briefly reviewed the plans current smoothing method and stated that they will have to make some changes to it by September 30, 2009. He also explained the amortization period of the unfunded liability and commented that if the losses are greater this year than last, then the board might want to consider reamortizing their financing period by increasing it.

Lastly, Mr. Armstrong reported the funded ratio of the plan decreased from 71% in 2007 to 70% in 2008 and he estimated that the number will probably drop down to the 60's next year. Ms. Claridge asked what was causing the unfunded ratio to decrease. Mr. Armstrong commented that the unfunded ratio number is based off of the unfunded liability which is currently at \$9,243,579.

**A motion was made by William Swisher to approve the 9/30/08 Actuarial Valuation Report prepared by Gabriel, Roeder, Smith & Company. The motion was seconded by George Hurley and carried 7-0.**

Mr. Armstrong mentioned to the board that there is a bill being introduced to the House of Representatives (HELPS Bill 2) that would allow the General employees to be eligible for the \$3,000 deduction for health insurance. He commented that he thought the board should watch this bill as they can benefit from this if passed.

Also, Mr. Armstrong stated that he has previously mentioned to the board that they might want to consider looking into doing biannual valuation reports, but commented that he does not recommend doing that at this time due to the market volatility.

**MINUTES**

The Board reviewed the minutes from the regular meeting held on February 24, 2009.

**A motion was made by George Hurley to approve the minutes from the February 24, 2009 regular meeting. The motion was seconded by Patrick Cooney and carried 7-0.**

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**ATTORNEY REPORT – KLAUSNER & KAUFMAN PA (PRESENTED BY:  
ADAM LEVINSON)**

*\* Adam Levinson joined the meeting via teleconference*

Mr. Levinson reviewed the assumption rate of return for this plan and other public pension funds. He commented that the Division of Retirement will want to eventually start lowering the rate over an extended period of time. Mr. Kahle stated that this something that the board might want to consider changing soon as it can lower costs.

Mr. Levinson reviewed the new IRS withholding tables memo with the board. He explained that this will allow members to hold on to more money by decreasing the amount of taxes that that are being deducted. This is effective April 1, 2008.

**DISBURSEMENTS**

The Board reviewed the disbursement list presented for the month of March 2009.

**A motion was made by Benny Rodgers to approve the disbursements for the month of March 2009. The motion was seconded by Lee Anna Claridge and carried 7-0.**

**BENEFIT APPROVALS**

The board reviewed the preliminary and final application for retirement for Donald McKeefry.

**A motion was made by George Hurley to approve the preliminary and final application for retirement for Donald McKeefry. The motion was seconded by Patrick Cooney and carried 7-0.**

**ADMINISTRATIVE REPORT – TEGRIT PLAN ADMINISTRATORS  
(PRESENTED BY: AUDREY ROSS)**

Ms. Ross state that she had the Salem Trust authorized signers list today that needed to be updated since we have a new Trustee on the board.

**OTHER BUSINESS**

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The board noted that they will hold off on moving forward with placing an RFP out for an attorney. They stated that they are happy with the service they received and there is no reason to change.

**ADJOURN**

There being no other business, and the next regular meeting having been scheduled for April 28, 2009 the meeting was adjourned at 3:18 PM

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Benny Rodgers, Secretary