

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

**MINUTES OF MEETING HELD
MAY 26, 2009**

A regular meeting of the Board of Trustees was called to order at 1:46 P.M. by Craig Kahle in the City Hall (5th Floor) Conference Room 5.19, 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Craig Kahle, Chairman
Benny Rodgers, Secretary
George Hurley, Trustee
Robert Burd, Trustee
Lee Anna Claridge, Trustee

Also present were:

Audrey Ross, Administrator - Tegrit Plan Administrators
Mike Welker, Investment Consultant – The Bogdahn Group (arrived at 2:33PM)

PUBLIC COMMENTS

N/A

MINUTES

The Board reviewed the minutes from the regular meeting held on April 28, 2009.

A motion was made by Benny Rodgers to approve the minutes from the regular meeting held on April 28, 2009. The motion was seconded by George Hurley and carried 5-0.

DISBURSEMENTS

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

A motion was made by Benny Rodgers to approve the disbursements for the month of May 2009. The motion was seconded by George Hurley and carried 5-0.

BENEFIT APPROVALS

The board reviewed the application for Retirement for vested member Obed Murdock and the death notifications and benefits for Gary Hardesty, Thelma Bollers and Gladys Whittenburg.

The board had a discussion the vested member Obed Murdock. Ms. Ross explained that he was due to start receiving pension back in 2004, but we

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could not locate the member. She commented that recently a family member contact the office and gave us all the necessary paperwork (signed by the member) and legal documentations that we needed to set him up for payment. The board stated that they would like to be notified when a member can not be located, but they are supposed to be receiving a pension.

A motion was made by George Hurley to approve the Application for Retirement for vested member Obed Murdock. The motion was seconded by Lee Anna Claridge and carried 5-0.

A motion was made by Benny Rodgers to approve the Death Notifications and Benefits for Gary Hardesty, Thelma Bollers and Gladys Whittenburg. The motion was seconded by Bob Burd and carried 5-0.

FINANCIAL STATEMENTS

The board reviewed the financial statements through the end of March 2009.

The board received and filed the financial statements through the end of March 2009.

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

** Adam Levinson joined the meeting via teleconference*

Mr. Levinson commented that he received a levy notice in April for a retired member. He stated that as normal procedures we will deduct the calculated amount, as instructed from the members monthly pension check.

Mr. Levinson reported that the Florida Legislative have wrapped up their negotiations. They adopted pension language regarding the Florida Retirement System (FRS) and the Chapter 175 & 185 monies. He commented that the only changes that are relevant to the General plans is that the fund can now invest more in international funds.

Mr. Levinson explained that each year the investment consultant is required to submit a letter to the Division of Retirement on behalf of the board regarding the funds future investments. Mr. Welker stated that he would be sending that letter off shortly.

Lastly, Mr. Levinson reminded the Trustees that their Form 1 Disclosures are due July 1, 2009.

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**INVESTMENT CONSULTANT REPORT – THE BOGDHORN GROUP
(PRESENTED BY: MIKE WELKER)**

Mr. Welker gave a brief update on the current market environment. He stated that the S&P500 was down 10.5% in January, February and March alone. Those 3 months were the worst months on record for a beginning of a new year. Mr. Welker commented that in the quarter beginning September 30, 2008 and ending December 31, 2008 all the sectors of the market were down, but in March of 2009 four of those sectors were already positive. He also mentioned that in the credit markets the corporate bonds are the first to detract after coming out of a recession.

Mr. Welker reviewed the fund performance for the quarter ending March 31, 2009. He reported that the total fund was ahead of the benchmark at -5% versus -6.34%. The total domestic equity was -9.09% versus -10.80% and the total international was doing great at -8.53% versus the benchmark at -13.85%. The asset allocation within the quarter was pretty much in line with 46.1% in domestic equity, 5.9% in international equity, 45.9% in domestic fixed income and 2.1% in cash. He commented that the fund is a little overweighted in corporates and they need to rebalance to get back in line with the target.

The board had a brief side conversation regarding liquidating the funds and what those transaction cost would be.

Mr. Welker reviewed the performance per manager for the quarter:

- Dana Equity- Underperformed the benchmark for the quarter at -11.53% versus -11.01%.
- Argent Capital Growth- Also behind the index at -6.51% versus -4.12%.
- Baring International- Outperformed within the quarter at -7.57% versus the benchmark at -13.85%.
- Voyageur International- Also did a great job outperforming the index at -9.64% versus -13.85%.
- Dana Fixed- Slightly behind but positive at .03% versus the index at .91%.

Mr. Welker commented that the two international funds, Baring and Voyageur work great together and combined they outperformed the Russell 3000 within the quarter. He also reviewed the funds risk versus return. He commented that over the 5 year period the fund has been less volatile than the policy or the index, but has received better returns. Mr. Welker stated that overall when the market is good this fund does better, and when the market is down the fund only goes down about 90% versus the market.

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Lastly, Mr. Welker explained that back in August of 2007 the board made a motion to approve the fee increase for his firm. He commented that at that meeting they never had the new contract signed, so therefore he needed it to be signed today. The board had a brief discussion about the increase. They asked Ms. Ross in the meantime to provide the board with the minutes from the meeting when the motion was made to approve the increase for the Bogdahn Group.

A motion was made by George Hurley to authorize the chairman to execute the original fee increase agreement with the Bogdahn Group. The motion was seconded by Benny Rodgers and carried 5-0.

ADMINISTRATIVE REPORT – THE RESOURCE CENTERS (PRESENTED BY: AUDREY ROSS)

N/A

OTHER BUSINESS

N/A

ADJOURN

There being no other business, and the next regular meeting having been scheduled for June 23, 2009 the meeting was adjourned at 3:57 PM.

Benny Rodgers, Secretary