

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

**MINUTES OF MEETING HELD
FEBRUARY 23, 2010**

A regular meeting of the Board of Trustees was called to order at 1:35 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, Chair
Benny Rodgers, Secretary
Bill Swisher, Trustee
Patrick Cooney, Trustee
Robert Burd, Trustee
Lee Anna Claridge, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Vicky Barnard, City of West Palm Beach Employee
Adam Levinson, Attorney – Klausner & Kaufman P.A.
Mike Dana, Investment Manager – Dana Advisors
Mike Welker, Investment Consultant – The Bogdahn Group

PUBLIC COMMENTS

The Board discussed the passing away of Mr. Hurley and gave their condolences.

**INVESTMENT MANAGER REPORT – DANA ADVISORS (PRESENTED BY:
MIKE DANA)**

Mr. Dana reported that last year was an interesting year and that 2010 is starting to look better. Through February 18, 2010 equities were up \$3M, but Dana still lagged the index because they buy high quality stocks which did not perform well through out the quarter. The total fund for the quarter ending December 31, 2010 was behind the index at 1.99% versus 2.68%. Mr. Dana reviewed the large core fund and stated that it was also behind for the quarter at 3.56% versus the index at 6.04%, but the fixed income fund was slightly ahead at .92% versus .52%. Mr. Dana stated that they had restructured the bond portfolio in which they eliminated the Treasuries, and slightly over weighted the corporate bonds.

Mr. Dana updated the Board on the current market situation and explained that the Banks are doing what they are suppose to be doing as there is to much leverage and the only way to get rid of it is time. Also we are starting to see unemployment numbers steadying out and working hours increasing. The Government will start selling mortgages again and the consumer confidence came in about 10% lower than expected.

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Lastly, Mr. Dana commented that he thinks the Board will meet their actuarial assumption this year. Mr. Kahle asked some questions in regards to the performance within the last 2 months and Mr. Dana replied that they are doing better and about equal to the index.

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

Mr. Welker reviewed the asset allocation for the quarter ending December 31, 2009. There is 52.5% in domestic equity, 35.1% in domestic fixed income, 10.2% in international equity and 2.2% in cash. Also the fund grew from \$21M to \$24M within the quarter. For the quarter the total fund was slightly behind the index at 2.88% versus 3.41%, the total equity was in the same position at 4.75% versus the index at 5.90% and the total internal did great at 3.27% versus 2.22%. Mr. Welker then reported the return for each manager within the quarter:

- Dana Equity – Slight underweight as previously discussed at 3.56% versus the index at 6.04%.
- Argent Capital Growth – They had a slight overweight in financials which was a negative sector within the quarter, which lead to their underperformance of 6.08% versus 7.84%. Although, two days ago this fund was outperforming the index.
- Barings International – Outperformed the index at 3.27% versus 2.22%. They had a great quarter and are positioned well.
- Voyageur Asset International – They have a slight overweight to the UK and in materials which was not a big benefit for them within the quarter. They slightly underperformed the index at 1.53% versus 2.22%.
- Dana Fixed – This fund is inline with the Policy even though they have a slight overweight to corporate bonds. They also outperformed for the quarter at .70% versus .53%.

Mr. Welker commented that the Fund's returns are getting better as their risk is getting less. He stated that they are heading in the right direction and if the market stays positive then they will be in a good position.

Lastly, Mr. Welker reviewed the changes to the revised Investment Policy Guidelines. He explained that he cleaned up the language to make sure that all indexes were updates and that the language was understandable.

A motion was made by Robert Burd to approve the revised Investment Policy Guidelines as presented by the Investment Consultant and for the Chair to execute and send to the State. The motion was seconded by Benny Rodgers and carried 6-0.

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MINUTES

The Board reviewed the minutes from the regular meeting held on January 26, 2010.

A motion was made by William Swisher to approve the minutes from the regular meeting held on January 26, 2010. The motion was seconded by Patrick Cooney and carried 6-0.

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

- **DISBURSEMENTS**

The Board reviewed the disbursement list presented for the month of February 2010.

A motion was made by Benny Rodgers to approve the disbursements for the month February 2010. The motion was seconded by William Swisher and carried 6-0.

- **FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of January 2010.

The Board received and filed the financial statements through the end of January 2010.

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

Mr. Levinson passed out copies of the plan that discussed changing beneficiaries after you have already elected your pension option, retired and then passed away; which is not aloud in this plan. He reviewed the different pension options that are available to the members' when they retire, and stated that members' can not change their option once chosen. In providing this information, he explained a case that has just recently arose. A son of a retiree who just passed away filed a motion stating that he should be receiving his mother's pension as she had stated that in her will, but did not chose a joint and survivor option at the time of her retirement. Mr. Levinson explained that her will does not supersede her pension option that was chosen at the time of her retirement. Mr. Levinson also commented that when he checked with the Courts the member's son did not file anything with them yet, and that he will be sending a letter to the son proactively to the judge explaining the situation and how the plan works.

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Mr. Levinson stated that as a result of the last FPPTA School, they will be sending out 250 surveys regarding the plan changes the IRS is proposing. He commented that there is a lot of legislation out there that is being proposed, and he briefly reviewed some of the proposals.

OTHER BUSINESS

N/A

ADJOURN

There being no other business, and the next special meeting having been scheduled for March 3, 2010 the meeting was adjourned at 3:48 PM.

Benny Rodgers, Secretary