

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

**MINUTES OF MEETING HELD
MAY 25, 2010**

A regular meeting of the Board of Trustees was called to order at 1:29 P.M. by Benny Rodgers 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 (arrived 1:38PM)
Benny Rodgers, Secretary
Bill Swisher, Trustee
Patrick Cooney, Trustee (departed 3:27PM)
Robert Burd, Trustee
Lee Anna Claridge, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Mike Welker, Investment Consultant – The Bogdahn Group

PUBLIC COMMENTS

N/A

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

Mr. Welker reviewed the compliance checklist for the quarter ending March 31, 2010. He commented that the Fund had meet all if its expectations, except that the total Plan has not exceeded the 8% actuarial earnings assumption over the trailing three and five year periods. As of March 31, 2010 there was 54.2% in domestic equity, 33.6% in domestic fixed income, 10.3% in international equity, and 1.9% in cash. Mr. Welker stated that they were fully vested within the quarter which was a benefit for the fund because all indices were up. They ended the quarter with \$24,587,430 even though there were more withdrawals then deposits.

The total fund was slightly ahead for the quarter at 3.91% versus the index at 3.86%, the total domestic equity was behind the index at 5.76% versus 5.94%, and the total international outperformed at 2.74% versus the index at .94%. Mr. Welker reviewed each Manager's performance for the quarter ending March 31, 2010:

- Dana Equity – Did great and outperformed at 7.03% versus the index at 5.39%. This fund is a great combination with Argent Capital.
- Argent Capital Growth- This manager is more risky, but usually stays in line with the index. For this quarter they slightly underperformed at 4.56% versus 4.65%.

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

MAY 25, 2010

- Barings International – Underperformed at .28% versus the index at .94%. This manager is a more conservative growth manager, but since inception they have been in line with index.
- RBC International (Voyageur) – This fund has more volatility going on, but had a great quarter at 5.04% versus .94%.
- Dana Fixed Income – This fund does not invest in any junk (nothing below AA) and is more on the conservative side. They were behind the index at 1.77% versus 1.81%.

Mr. Rodgers asked how Dana compares to other Managers that are sector neutral as well. Mr. Welker replied that they are doing good seeing that they outperform 88% of the time compared to other managers. Mr. Welker commented that he will bring a chart that shows how their managers are performing compared to the other managers that they did not choose in their portfolio.

Mr. Welker commented that the funds measure of volatility is low and that they have always outperformed the index with less risk. Also this portfolio has no exposure to Greece and had one security in Spain, which had little impact to the portfolio.

Lastly, Mr. Welker presented the Board with a real estate alternative. He commented that he would like the Board to think about this investment and explained that it would give the portfolio a great diversification. This real estate investment is all owners and no developers, and they would be investing in properties that are not going anywhere and gave examples. The manager for this type of investment would diversify within the different asset classes of real estate (hotels, office buildings, etc). He stated that he would recommend taking a 5% allocation from the Dana fixed income to fund this investment. He also would recommend a core sector investment because the properties are already in place and they are not locked up. He commented that if we were to move from Bonds to real estate then the fee would probably increase by .5%. The Board discussed this investment option and decided that they would table this for now.

MINUTES

The Board reviewed the minutes from the special meeting held on March 3, 2010.

A motion was made by William Swisher to approve the minutes from the special meeting held on March 3, 2010. The motion was seconded by Lee Anna Claridge and carried 6-0.

The Board reviewed the minutes from the regular meeting held on April 27, 2010.

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

MAY 25, 2010

A motion was made by William Swisher to approve the minutes from the regular meeting held on April 27, 2010 as amended. The motion was seconded by Benny Rodgers and carried 6-0.

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

- **DISBURSEMENTS**

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

Ms. Ross noted that the 2 invoices on the bottom of the disbursement list that are paid by the Custodian are for Dana Investments, and not Argent Capital as presented.

A motion was made by Robert Burd to approve the disbursements for the month of May 2010 as corrected. 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 April 2010.

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

- **BENEFIT APPROVALS**

The board reviewed the preliminary application for retirement for Rigoberto Lopez.

A motion was made by Robert Burd to approve the preliminary application for retirement for Rigoberto Lopez. The motion was seconded by Benny Rodgers and carried 6-0.

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

***Via teleconference**

Mr. Levinson stated that ultimately it is up to the Board as to whether or not they would like to extend the current retiree Trustee seat position from December 2010 until December 2013.

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

MAY 25, 2010

A motion was made by Patrick Cooney to extend the current retiree position (that is vacant) to expire in December 2013 as to December 2010. The motion was seconded by Robert Burd and carried 6-0.

Mr. Levinson stated that the Trustees should be receiving their Form 1 disclosures any day now via mail and they are due July 1, 2010. He reminded the Trustees' that they have to file the form with the Supervisor of Elections in the County where they reside.

Mr. Levinson notified the Board that a Union within the City has created its own define benefit plan. There are about 150 employees who participate in this plan and are no longer part of the City's defined contribution pension plan. Also, Mr. Levinson noted that the City will not be contributing to this pension plan, and that it is an ERISA plan which is a private sector plan and not a Governmental plan.

Lastly, Mr. Cooney stated that he was directed by the City's Pension Benefit Task Force Committee to ask Mr. Levinson whether or not changes could be made to this plan seeing that they are a closed plan. Mr. Levinson replied that depending on the change maybe, but generally you can not.

OTHER BUSINESS

Ms. Ross presented the Board with the drafts RFP's for the Auditor and Attorney. The Board reviewed each RFP and discussed changes, deletions and additions. Ms. Ross stated that she will send them out shortly as revised.

ADJOURN

There being no other business, and the next meeting having been scheduled for June 22, 2010 the meeting was adjourned at 3:33 PM.

Benny Rodgers, Secretary