

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

**MINUTES OF MEETING HELD
AUGUST 24, 2010**

A regular meeting of the Board of Trustees was called to order at 1:32 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 1:42P)
Benny Rodgers, Secretary (departed 3:10P)
Robert Burd, Trustee
Patrick Cooney, Trustee
Vicky Barnard, Trustee (departed 3:20P)

Also present were:

Audrey Ross, Administrator – Resource Centers
Susan Friend & Michael Futterman, Auditors – MarcumRachlin LLP
Steve Gordon, Auditor – Steven I. Gordon CPA
Jack Evatt, Investment Consultant – The Bogdahn Group

PUBLIC COMMENTS

N/A

AUDIT RFP PRESENTATIONS:

- **MarcumRachlin LLP – Presented By: Susan Friend & Michael Futterman**

Mr. Futterman introduced himself and Ms. Friend to the Board. He stated that MarcumRachlin has been in business for over 50 years and that the two companies have just recently merged together. Mr. Futterman reviewed the firm's staff and commented that they have a local office here in West Palm Beach. Also, this plan would have two audit partners working together. Ms. Friend reviewed her background and stated that she has been involved in audits for more than 20 years, and public pension plans are her primary focus. Mr. Futterman also reported that all of their employees go through constant training in which Mr. Futterman teaches himself. He reviewed the company's quality control procedures within their office and stated that their office has an internal expectation as well.

Mr. Futterman reported that this Board should choose his firm because they do extensive planning, risk assessment, and the best quality is that their firm always goes above and beyond in regards to the service that they provide. Mr. Cooney questioned whether their firm finds a difference between a closed plan and an open plan. Mr. Futterman commented that he does not because you are still auditing the plan itself no matter the fundamentals of it.

- **Steven I. Gordon CPA – Presented By: Steve Gordon**

Mr. Gordon introduced himself to the Board and stated that he is not a large firm and doesn't have offices all over the world. Mr. Gordon has been a CPA

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since 1979 and started his own firm in 1981. He commented that he is the owner of his firm with about 5 other auditors that work for him. Mr. Gordon reported that currently he handles about 75 accounts, and reviewed who and how his office handles them all in a smooth fashion. He emphasized that physically he does not have a large office, but when it comes to Municipal clients he is a large firm because of all the experience. Mr. Gordon gave some background on the members that work for him, and commented that he has a couple of people that could take over and run his office if something were to happen to him.

BOARD DISCUSSION

The Board discussed both presentations and stated that they liked both Auditors and that the switch really came down to price at this time, not service. Mr. Gordon came in with the best bid.

A motion was made by Patrick Cooney to hire Steven I. Gordon CPA as their auditing firm effective for the fiscal year ending September 30, 2010. The motion was seconded by Benny Rodger and carried 5-0.

**INVESTMENT CONSULTANT REPORT – THE BOGDAHN GROUP
(PRESENTED BY: JACK EVATT)**

Mr. Evatt introduced himself and stated that he was here today in place of Mike Welker. Mr. Evatt passed out a manager evaluation presentation. He commented that their recommendation is to look for a new fixed income manager. He stated that he doesn't think Dana is doing anything wrong, but that they think they can find someone to do a better job for the same price. Mr. Evatt reviewed the list of alternative managers that Bogdahn has recommended for this fit. The Board had some questions because they were not aware that this kind of recommendation was going to be coming their way, or that Dana was performing badly. The Board decided to wait until Mr. Welker was present to discuss this before they made any changes or decisions. Ms. Ross stated that Mr. Welker will not be here until the November meeting, so she will have him attend via teleconference at the October meeting.

Lastly, Mr. Evatt reviewed the funds performance for the quarter ending June 30, 2010. There is 51.9% in domestic equities, 34.9% in fixed income, 10.1% in international equity and 3.1% in cash. He reported that the total fund was negative and behind the benchmark for the quarter at -7.18% versus -6.56%, the total equities were in the same position at -11.83% versus -11.52%, the total international outperformed the benchmark, but still negative at -10.70% versus -12.26% and the total fixed income did great at 2.04% versus the benchmark at 2.92%. Mr. Evatt briefly reviewed each manager's return for the quarter and noted that Dana had slightly underperformed again and has since inception.

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MINUTES

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

A motion was made by Patrick Cooney to approve the minutes from the regular meeting held on July 24, 2010. The motion was seconded by Robert Burd and carried 4-0.

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

- **DISBURSEMENTS**

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

A motion was made by Robert Burd to approve the disbursements for the month of August 2010 as presented. The motion was seconded by Vicky Barnard and carried 4-0.

- **FINANCIAL STATEMENTS**

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

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

- **BENEFIT APPROVALS**

The board reviewed the preliminary and final application for retirement for Johnny Thomas.

A motion was made by Robert Burd to approve the preliminary and final application for retirement for Johnny Thomas. The motion was seconded by Vicky Barnard and carried 4-0.

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

N/A

OTHER BUSINESS

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Ms. Ross presented the Board with the Salem Trust class action report for the quarter ending September 30, 2010, in which there were no class actions filed and settlements received.

ADJOURN

There being no other business, and the next meeting having been scheduled for October 26, 2010 the meeting was adjourned at 3:20 PM.

NOTE SEPTEMBER 2010 MEETING IS CANCELED

Benny Rodgers, Secretary