

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

**MINUTES OF MEETING HELD
OCTOBER 26, 2010**

A regular meeting of the Board of Trustees was called to order at 1:33 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 1:40P)
Benny Rodgers, Secretary
Bill Swisher, Trustee
Bob Burd, Trustee
Patrick Cooney, Trustee
Randy Sherman, Trustee
Vicki Barnard, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Adam Levinson & Robert Klausner, Attorney – Klausner & Kaufman, PA
Ron Cohen, Attorney – Cohen & Rind, PA
Bonni Jensen, Attorney – Law Offices of Perry & Jensen, LLC
Ken Harrison & Bob Sugarman, Attorney – Sugarman & Susskind, PA

PUBLIC COMMENTS

N/A

MINUTES

The Board reviewed the minutes from the regular meeting held on August 24, 2010.

A motion was made by Vicki Barnard to approve the minutes from the regular meeting held on August 24, 2010. The motion was seconded by Bob Burd and carried 6-0.

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

Mr. Levinson reviewed the vesting clauses and the annuity program with AIG. He explained that all employee contributions are tax deferred, and he reminded the Board that when they closed the defined benefit plan back in 1997, all members that stayed in the old plan (and didn't move into the new defined contribution plan) automatically became vested that day. Mr. Levinson reported that there is a member who recently came forward to collect her benefits, and she only had 3 years and 10 months in the plan before she terminated employment. He stated that the member never took a refund of her contributions, so when eligible the member can start collecting

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her monthly pension benefit or she still has the option to withdrawal her contributions. Ultimately the decision is up to the member.

Mr. Klausner commented that he will be working on a case in Orange County California that is similar to this fund in some ways. He explained that the Board of Supervisors decided to close their defined benefit plan and open up a defined contributions plan, similar to what the City of West Palm Beach did with this fund. Mr. Klausner stated that through out this transition there are many things that differ between what Orange County wants to do and what the IRS guidelines say. In that case, Orange County has come forwarded with asking the IRS to change their rules. Mr. Klausner will be involved in working on this case and will keep the Board updated, as he thinks this case will affect all defined benefit plans.

Mr. Levinson reported that he just received an application for disability with all the back up medical records. He explained that he will assemble books for each Trustee so they can review all the documents in confidentiality. Mr. Levinson commented that in normal proceedings the member would see an outside doctor in which the Board will pick, and then ultimately the decision is up to the Board of Trustees. He stated that in the meantime he will work on getting the books together and seeing what information he still might need, and then the Board will go from there.

ATTORNEY RFP PRESENTATIONS:

- **Klausner & Kaufman, PA – Presented By: Robert Klausner & Adam Levinson**

Mr. Klausner reported that his firm has represented this Board for over 17 years, and he stated that Boards either switch providers due to services or fees. In this case the Board did an RFP to try to save money. Mr. Klausner explained that he has compared this Boards monthly retainer fee versus the hourly rate fees. He recommends that the Board should consider going with the hourly rates instead of the monthly retainer. In addition he commented that if the Board does not want to go with the hourly rate of \$285 (which would be capped at the currently monthly retainer of \$2,000), then he would also offer to cut the monthly retainer fee down from \$2,000 per month to \$1,500. Also, Mr. Levinson stated that their fee includes a free conference that they do every year for just their clients. Lastly, Mr. Klausner explained that he knows all the other Attorney's here today and they are great. Although, the advantage that his firm has is that they know this fund very well and his office was the one that assisted with the close of this Plan.

- **Cohen & Rind, PA – Presented By: Ron Cohen**

Mr. Cohen introduced himself to the Board and reviewed his background. He has been in practice for over 33 years, with 23 of those years focusing just on public pension plans. He commented that there are 5 lawyers who work in his firm, although he would be this Plan's lead council. Mr. Cohen

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explained to the Board what his duties are as legal council to the Board. He does not try to run the whole show, but assists the Board on their decisions. Lastly, Mr. Cohen quoted both fees; the hourly rate is \$250, or they can also do a monthly retainer at \$1,600.

- **Law Offices of Perry & Jensen, LLC – Presented By: Bonni Jensen**

Ms. Jensen introduced herself to the Board and started off by noting that her Uncle is a member of this Plan and that she also works for other boards within the City. She reviewed her background and commented that she is only devoted to Florida, and only specializes in public plans. Ms. Jensen passed out a sample of memos that she circulates on a regular basis updating clients of any changes in law, etc. She explained that the memos help her Clients understand the laws, changes or anything else that might be occurring in the pension world. Lastly, Ms. Jensen stated that she prefers to attend all meetings, and the cost would not be any different if she were to attend via teleconference. Also, her hourly rate is \$250 and she quoted the monthly retainer at \$1,750.

- **Sugarman & Susskind, PA – Presented By: Ken Harrison & Bob Sugarman**

Mr. Sugarman introduced himself and stated that there are 3 partners in his firm. He and Mr. Susskind have been partners for over 25 years and Mr. Harrison has been with them for 14 years. Mr. Harrison introduced himself and stated that before he became a lawyer, he served as a Miami cop for 23 years. Out of those 23 years, 16 of them he served on the pension board. Also, Mr. Harrison reported that he is the founder for FPPTA. Mr. Sugarman would be the primary council for this fund, with Mr. Harrison as a backup.

Mr. Sugarman explained that they represent over 65 pension plans with 10 of those plans being closed. He briefly reported on his experiences with closed plans and commented that is what makes his firm stand out from the others. Ms. Harrison reviewed the transition process they would go through if they were hired, and explained what certain items they would specifically look at; IPG, service provider contracts, etc. Lastly Mr. Sugarman noted that their firm was ranked in the first tear for public pension plans in the World Magazine.

BOARD DISCUSSION

The Board discussed the different presentations and noted the differences between the rates, service and value.

A motion was made by Benny Rodger to retain Klausner & Kaufman, PA as their legal counsel at the hourly rate of \$285, with a cap of the monthly retainer at \$2,000. The motion was seconded by Bill Swisher and carried 6-1.

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

Mr. Welker announced that the Plan performed above their Actuarial assumption rate for the fiscal year at 8.8%. With that said, Mr. Welker commented that this Board has a chance for more improvement, especially on the fixed income side. He explained that he would recommend replacing the Dana fixed income account because there are better opportunities out there. The Board decided to table this discussion until the November meeting when Mr. Welker was present.

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

- **DISBURSEMENTS**

The Board reviewed the disbursement list presented for the months of September and October 2010.

A motion was made by Bill Swisher to approve the disbursements for the months of September and October 2010 as presented. The motion was seconded by Benny Rodgers and carried 7-0.

- **FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of August 2010. She noted that the September states were not available yet as we are still reconciling them for the end of the fiscal year.

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

- **BENEFIT APPROVALS**

The board reviewed the preliminary and final applications for retirement for Gloria Williams, Michael Clark, Michael Lal and Winchester Williams and the application for a refund of contributions for Willie Flynt.

A motion was made by Bob Burd to approve the preliminary and final applications for retirement for Gloria Williams, Michael Clark, Michael Lal and Winchester Williams and the application for a refund of contributions of Willie Flynt. The motion was seconded by Bill Swisher and carried 7-0.

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OTHER BUSINESS

Ms. Barnard commented that she received some calls from some recent retirees who did not get a COLA increase this year. Ms. Ross stated that it had something to do with the CPI-U being negative and the contract with AIG. Ms. Ross stated she and Mr. Levinson will do some more research regarding this item and they can discuss it at the next meeting.

Lastly, Ms. Ross passed out the 2011 meeting dates.

ADJOURN

There being no other business, and the next meeting having been scheduled for November 23, 2010 the meeting was adjourned at 4:06 PM.

Benny Rodgers, Secretary