

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

**MINUTES OF MEETING HELD
FEBRUARY 28, 2012**

A regular meeting of the Board of Trustees was called to order at 1:35PM by Secretary 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
Benny Rodgers, Secretary
Bill Swisher, Trustee
Patrick Cooney, Trustee
Vicki Barnard, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Nancy Urcheck, Attorney – City of West Palm Beach
Brad Armstrong, Actuary – Gabriel, Roeder, Smith & Company (GRS)
Mike Welker, Investment Consultant – The Bogdahn Group
John Rodak, Investment Consultant – The Bogdahn Group

PUBLIC COMMENTS

It was noted that the new Finance Designee has not been appointed to the Board as of yet.

**PRESENTATION OF THE SEPTEMBER 30, 2011 ACTUARIAL
VALUATION REPORT – GRS (PRESENTED BY: BRAD ARMSTRONG)**

Mr. Armstrong reviewed the Plan's assets and stated that as of September 30, 2011 the fund had \$24,861,112. Contributions during the year consist of \$166,140 of employee and \$2,269,689 of employer. There are 46 active members left in the Plan and 150 retirees, with 9 of those being vested deferred members. Mr. Armstrong reported that for the 2012-2013 fiscal year the City will have to contribute \$2,050,355 if paid in a lump sum on October 1, 2012. He reviewed the reasons as to why the City contributions increased this year. One of the reasons was due to the assumption changes that were made regarding a change in an updated mortality table. Mr. Armstrong reviewed the Plan's current unfunded liability which has now increased to \$7,997,103 and will be amortized over another 10 years. The administration expenses have decreased in 2011 to \$70,664 from \$116,681 in 2010. Lastly Mr. Armstrong noted that the Plan's funded ratio has increased to 76% this year from 74% last year.

The Trustees' questioned whose responsibility it is to make up any differences in the contributions that are required. Mr. Armstrong stated that it is the City's responsibility to make up any differences in benefits until the Plan is 100% funded.

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A motion was made by Vicki Barnard to approve the September 30, 2011 Actuarial Valuation as presented. The motion was seconded by Patrick Cooney and carried 5-0.

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

Mr. Rodak explained that there was a huge sell off in the 3rd quarter with a major rebound in the 4th quarter. It was an equity driven market in the 4th quarter with the small cap sector leading. The S&P had the 11th best quarter since 1966 with the energy, materials and industrial sectors leading. On the fixed income side the Treasuries were up about 11% and TIPS did well as usual.

Mr. Rodak reviewed the Plan's asset allocation which now includes the Templeton Global Total Return fund. He commented that it was a perfect timing for this type of investment because it was funded after 9/30/2011. They are currently over weighted to domestic equity which has benefited them. He noted that the City made their annual contribution in October 2011 which was used for the Templeton funding. For the quarter ending December 31, 2011 the total fund was slightly behind the index at 7% versus 7.05%, and for the 1 year they were in the same position at .72% versus 1.39%. The total equities underperformed at 9.41% versus 10%, the total fixed income had a great quarter and outperformed the index at 1.65% versus 1.12%, and the total international also underperformed at 2.29% versus 3.77%.

Lastly Mr. Rodak made a recommendation to rebalance since they were currently over weighted in domestic equity. He recommended transferring \$700K from Argent and \$700k from GH&A and allocate evenly between Barings and RBC. The board discussed rebalancing at this time and decided to table the recommendation at this time.

MINUTES

The Board reviewed the minutes from the regular meeting held on January 24, 2012.

A motion was made by Benny Rodgers to approve the minutes from the regular meeting held on January 24, 2012. The motion was seconded by Pat Cooney and carried 5-0.

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

• **DISBURSEMENTS**

The Board reviewed the disbursement list presented for the month of February 2012.

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A motion was made by Bill Swisher to approve the disbursements for the month of February 2012. The motion was seconded by Patrick Cooney and carried 5-0.

• **FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of January 2012.

The Board received and filed the financial statements through the end of January 2012.

**ATTORNEY REPORT –CITY OF WEST PALM BEACH (PRESENTED BY:
NANCY URCHECK)**

Ms. Urcheck presented the board with the revised administrative rule for establishing election procedures for elected trustees. She asked that the Trustees' review and send her any revisions/changes before the next meeting.

OTHER BUSINESS

N/A

ADJOURN

There being no other business, and the next regular meeting having been scheduled for March 27, 2012 the meeting was adjourned at 2:25PM.

Benny Rodgers, Secretary