

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

**MINUTES OF MEETING HELD
NOVEMBER 27, 2012**

A regular meeting of the Board of Trustees was called to order at 1:35PM by Chairman 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, Chairman
Bob Burd, Trustee
Dorritt Miller, Trustee
Jeff Green, Trustee (arrived 1:54PM)
Sylvia Gregory, Trustee
Vicki Barnard, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Nancy Urcheck, Attorney – City of West Palm Beach
Jon Breth, Investment Consultant, the Bogdahn Group

PUBLIC COMMENTS

N/A

**INVESTMENT CONSULTANT REPORT – THE BOGDAHN GROUP
(PRESENTED BY: JON BRETH)**

Mr. Breth stated that it was a strong market rally during the 3rd quarter and that it has been the best 9 month period since 2009. He reviewed the Plan's compliance checklist and commented that everything is in line except for meeting the Plans assumed rate of return for the 3 and 5 year marks. Mr. Breth also reviewed the Plan's asset allocation and stated that we are inline with the target allocation listed in the policy. The Plan has a good weight in International at 10% and he does not recommend any changes for rebalancing.

Mr. Breth reviewed the plans performance for the fiscal year ending September 30, 2012. He commented that they did beat the Plan's assumed rate of return of 8% for the fiscal year at 23% versus the index at 19.02%. Mr. Breth noted that by adding in the Templeton Global fund at the beginning of the fiscal year really benefited the fund. He then briefly reviewed each manager's performance for the quarter and fiscal year. Dana Advisors was the only manager that underperformed during the quarter and that was because they did not own enough Apple stock in their portfolio. Lastly Mr. Breth reported on the funds risk versus return and commented that overall the fund takes less risks and adds more return to the portfolio which is exactly what they want to do.

Mr. Breth briefly reviewed the preliminary portfolio performance for October 2012. He explained that the market has been more volatile since the end of

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the fiscal year and for as of October 31, 2012 the fund is down -1.15% versus the index at -.73%.

MINUTES

The Board reviewed the minutes from the regular meeting held on September 25, 2012.

A motion was made by Dorritt Miller to approve the minutes from the regular meeting held on September 25, 2012. The motion was seconded by Jeff Green and carried 6-0.

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

- **DISBURSEMENTS**

The Board reviewed the disbursement list presented for the month of October & November 2012.

A motion was made by Bob Burd to approve the disbursements for the month of October & November 2012. The motion was seconded by Dorritt Miller 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 October 2012.

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

OTHER BUSINESS

Ms. Ross presented the board with the September 30, 2012 Audit Engagement Letter from Steven I. Gordon's office. She noted that the fees will remain the same this year. The board had a brief discussion on the auditing services performed.

A motion was made by Bob Burd to approve the September 30, 2012 audit engagement letter from Steven I. Gordon as presented. The motion was seconded by Vicki Barnard and carried 6-0.

Ms. Ross explained that she has been receiving some inquiries recently regarding members who are getting divorced and how much of their benefit is owed to their ex-spouse. She wanted to discuss with the board about implementing some kind of divorce procedure or packet to guide the member with. Most members will request a calculation regarding their benefit which has to be sent off to the Actuary. Ms. Ross is inquiring whether or not the

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board will pay for this calculation, or if it should be a pass through charge to the member. The Trustees had a lengthy discussion and asked Ms. Ross to bring back more information from the Plan's Actuary regarding the costs of divorce calculations.

Ms. Ross presented the board with the 2013 meeting dates.

Ms. Ross reviewed the memo regarding Salem Trust's class action processing. Salem has never charged for this service in the past, but going forward they are trying to implement a service charge of 20% on all class action recoveries. Ms. Ross explained that a couple of pension Attorney's were concerned with this issue and therefore reached out to Salem Trust. Due to the overwhelming responses Salem Trust had received from the letter, they have already sent out another letter stating to disregard to the first letter and business as usual. Ms. Ross noted that no action is needed at this time.

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

N/A

ADJOURN

There being no other business, and the next regular meeting having been scheduled for January 22, 2013 the meeting was adjourned at 2:39PM.

note: the December 25, 2012 meetings were canceled

Craig Kahle, Chairman