

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

**MINUTES OF MEETING HELD
JANUARY 22, 2013**

A regular meeting of the Board of Trustees was called to order at 1:32PM 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
Leon Pinder, Trustee
Sylvia Gregory, Trustee
Vicki Barnard, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Nancy Urcheck, Attorney – City of West Palm Beach
Steve Gordon, Auditor, Steven I. Gordon CPA

PUBLIC COMMENTS

N/A

The board welcomed new Trustee Leon Pinder to the board. Mr. Pinder replaced Benny Rodgers who recently retired.

SELECTION OF SECRETARY

Ms. Ross noted that Mr. Rodgers had served as Secretary on the board and since he is no serving on the board, the Trustees will need to select a new Secretary.

A motion was made by Vicki Barnard to nominate Robert Burd as Secretary. The motion was seconded by Dorritt Miller and carried 7-0.

PRESENTATION OF THE SEPTEMBER 30, 2012 AUDITED FINANCIAL STATEMENTS – STEVE GORDON

Mr. Gordon reviewed the Management Discussion and Analysis letter and stated that he has issued an unqualified clean opinion regarding the Audit, which is the highest level that can be issued. He compared the Plan's assets from this year to last year and commented that that was a net increase of \$5,680,672 which was due primarily to a great investment year. He noted that both the employer and employee contributions decreased this year, and there were more benefit payments paid out during the year due to more retirees. In addition the admin expenses slightly decreased, which is always beneficial to the Plan. Mr. Gordon explained that he does not have the funded ratio for this year yet, but last years funded ratio of 76% is in the

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average of public pension plans. Lastly Mr. Burd asked Mr. Gordon if he was comfortable with the results of the Audit, and if he received corporation from all parties involved in the process. Mr. Gordon replied that a clean opinion was issued and that he did not encounter any problems or issues while performing the audit.

The Trustees discussed the AIG payments and how they are being recorded in the financials. Mr. Gordon stated that in the past they have not been reflected in the financials because that money is held at AIG and is not a part of the plans assets or liabilities. Mr. Green asked if AIG should at least be referenced in the footnotes of the financial statements anywhere. The Trustees directed Ms. Urcheck to review AIG's contract and to decide whether or not AIG needs to be referenced or disclosed in the Plan's Audited Financial statements.

A motion was made by Jeff Green to approve the September 30, 2012 Audited Financial Statements pending the outcome of the AIG disclosure. The motion was seconded by Dorritt Miller and carried 7-0.

Mr. Gordon noted that the fee for next years audit will remain the same.

MINUTES

The Board reviewed the minutes from the regular meeting held on November 27, 2012.

A motion was made by Dorritt Miller to approve the minutes from the regular meeting held on November 27, 2012 as amended. The motion was seconded by Sylvia Gregory and carried 7-0.

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

- **DISBURSEMENTS**

The Board reviewed the disbursement list presented for the month of December 2012 and January 2013.

A motion was made by Jeff Green to approve the disbursements for the month of December 2012 and January 2013. The motion was seconded by Dorritt Miller and carried 7-0.

- **BENEFIT APPROVALS**

The board reviewed the preliminary application for retirement for Benny Rodgers.

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A motion was made by Jeff Green to approve the preliminary application for retirement for Benny Rodgers. The motion was seconded by Bob Burd 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 December 2012.

Ms. Miller asked if the Salem Trust Accounts can be broken down by manager. Ms. Ross stated that she will check into this and will let the board know at their next meeting.

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

Ms. Ross noted that she had new signature cards with her today to be executed by the board since there have been changes in the Trustees.

OTHER BUSINESS

Ms. Ross presented the board with 2013 COLA spreadsheet. The board had a lengthy discussion on the COLA benefit and how it is calculated. Ms. Urcheck reviewed the recent revised COLA language. Ms. Ross stated that AIG determines the COLA percentage every year (but not to max 2%) and creates the spreadsheet. The spreadsheet is also reviewed by the Actuary and PRC. The board discussed and commented that they would like to review AIG's contract regarding the calculation of the COLA.

Ms. Ross stated that she gathered additional information regarding divorce calculations. She noted that the Actuary stated that divorce calculations can cost anywhere between \$250-\$1,000, depending on what exact type of calculation is being requested. The Trustees discussed and commented that the member who is requesting the calculation should pay for all associated cost.

A motion was made by Jeff Green to authorize and approve that all divorce calculations must be paid directly by the member (the member must pay the actuarial cost of the calculation). The motion was seconded by Dorritt Miller and carried 7-0.

Ms. Ross presented the board with the current active members list. There are 38 active members left in the Plan.

Ms. Ross explained that the Board signed a 3 year engagement with the current auditor, Steven I. Gordon, and this past audit marked the 3rd year. The Trustees discussed their options and stated that as their fiduciary responsibility as Trustees on the board, they will issue an RFP for Auditing

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services. The Board directed Ms. Ross to bring back a draft RFP for Auditing services to the next meeting. It was noted that the Trustees would still like Mr. Gordon to respond to the RFP because they are pleased with his services.

Ms. Ross presented the board with the 12/31/2012 flash performance report from the Bogdahn Group. She commented that Bogdahn will be present at their next meeting to present the full quarterly report.

**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 February 26, 2013 the meeting was adjourned at 3:08PM.

Robert Burd, Secretary