

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

**MINUTES OF MEETING HELD
FEBRUARY 26, 2013**

A regular meeting of the Board of Trustees was called to order at 1:3233 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
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 PRESENTATION – JON BRETH (BOGDAHN GROUP)

Mr. Breth updated the board on the current market environment and commented that the market has started to push investors into some more if the riskier assets/stocks. The US dollar lost some value during the quarter, and overseas in Japan they elected a new leader in hopes of getting out of some debt. Mr. Breth briefly discussed Apples position in the market. He noted that Apple is mostly focused in the growth sector and during the quarter growth was down; therefore Apple's stock lost some value. Mr. Breth reviewed the plans performance for the quarter ending December 31, 2012. The plan underperformed the benchmark net of fees at .98% versus 1.08% for the quarter, but for the one year the plan is still ahead net of fees at 16.08% versus 12.38%. Mr. Breth noted that the plan currently has a slight overweight to equities and a slight underweight to fixed income. He also explained that the plan is underweighted in International and over weighted to domestic, therefore they will discuss rebalancing later on in the report. Mr. Breth reviewed each manager's performance during the quarter and commented that Dana and Barings had underperformances at -0.69% versus -0.38 and 0.30% versus 6.60%, respectively. He stated that he does not have any recommendations regarding any of the managers at this time.

Mr. Breth briefly reviewed the January 2013 flash performance report. He noted that January has been a great month and they are up another 3.32%, which puts them up a total of 4.44% for the FYE 9/30/2013. Mr. Breth also reviewed the allocations as of January 31, 2013 and stated that he would like the board to rebalance back to their targets per their investment policy. Therefore he would recommend taking 5% from the equities and fund a new

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FEBRUARY 26, 2013

global bond manager similar to the Templeton bond that they currently have. Mr. Breth explained in great detail why now would be a good time to move into some kind of fixed income alternative such as global bonds. He passed out some brief information on the PIMCO Diversified Income Fund and noted the differences between PIMCO and Templeton. PIMCO owns some more risky asset classes than Templeton, and they also invest in different sectors so they would also blend together very well. The Trustees asked Mr. Breth to bring back more detailed information regarding the PIMCO Diversified Income Fund to the next meeting.

MINUTES

The Board reviewed the minutes from the regular meeting held on January 22, 2013.

A motion was made by Dorritt Miller to approve the minutes from the regular meeting held on January 22, 2013. The motion was seconded by Vicki Barnard 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 2013.

A motion was made by Dorritt Miller to approve the disbursements for the month of February 2013. The motion was seconded by Bob Burd and carried 5-0.

- **BENEFIT APPROVALS**

The board reviewed the final application for retirement for Benny Rodgers and the preliminary application for retirement for Carolyn Wilkins.

A motion was made by Silva Gregory to approve the final application for retirement for Benny Rodgers and the preliminary application for retirement for Carolyn Wilkins. The motion was seconded by Dorritt Miller 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 2013.

The Board received and filed the financial statements through the end of January 2013.

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FEBRUARY 26, 2013

Ms. Ross presented the board with the draft RFP for Auditing Services. The Trustees reviewed and asked Ms. Ross to go ahead and issue the RFP.

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

Mr. Urcheck reviewed her memo regarding the Pension Annuity Liability with AIG. She discussed how AIG pays the benefits directly to the pension plan once a month and not to each individual retiree. She also noted that when the pension plan purchased the annuities, the plan at that time then transferred all liabilities to AIG. Ms. Urcheck was directed by the board of Trustees to revise the COLA language to make it more understandable. Ms. Urcheck concurred.

OTHER BUSINESS

Ms. Ross presented the board with the December 31, 2012 quarterly class action report from Salem Trust. She noted that one new class action was filed on behalf of the plan during the quarter, and the plan also received \$13.59 in settlements during the quarter as well.

Mr. Burd stated that the Summary Plan Description (SPD) needs to be updated. Ms. Ross noted that the last one completed was from 2007. The Trustees asked Ms. Ross to send out the current SPD so that they can review it and discuss it at their next meeting.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for March 26, 2013 the meeting was adjourned at 3:09PM.

Robert Burd, Secretary