

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

**MINUTES OF MEETING HELD
JULY 10, 2013**

A regular meeting of the Board of Trustees was called to order at 1:10 by Chairman Craig Kahle in Room 5.19 (5th Floor), 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Craig Kahle, Chairman
Bob Burd, Secretary
Dorritt Miller, Trustee
Jeff Green, Trustee
Leon Pinder, Trustee
Marta Vittini, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Nancy Urcheck, Attorney - City of West Palm Beach
John Turner & Kim Turner, West Palm Beach General Employee & Spouse
Jim Burdick, Auditor – Cherry, Bekaert LLP
Steve Gordon, Auditor – S.I. Gordon & Company
John Stroemer & Kathy Naughton, Auditor – Stroemer & Company

PUBLIC COMMENTS

N/A

AUDITOR INTERVIEWS

Cherry, Bekaert LLP – Presented by Jim Burdick

Mr. Burdick introduced himself and stated that he is a partner with Cherry, Bekaert. He noted that his office use to serve as the Auditor for this plan for many years up until about 3 years ago. Mr. Burdick reviewed the history of Cherry, Bekaert and noted that they were founded in 1947 and they have 25 offices from Miami to North Virginia. He commented that he is based out of the Orlando office. Cherry, Bekaert handles many defined benefit plans very similar to this one. He reviewed the service team that services the defined benefit plans and noted that combined, the team has 76 years of experience in the auditing field. Mr. Burdick reviewed the auditing process and what items they look for when performing the audit. Lastly he stated that their proposed fee is \$12K for 2013, \$12,500 for 2014, and \$13K for 2015.

S.I. Gordon & Company, PA – Presented by Steve Gordon

Mr. Gordon stated that he is the current auditor for the plan and noted that there have been no changes to his firm or auditing process. His firm audits about 25 municipal pensions and briefly reviewed his Florida client list. He stated that his fee has remained the same for the last 3 years at \$8,500 and commented that he will keep it the same for the next 3 years as well if retained. The Trustees discussed the AIG annuities and how they are being recorded in the audit (this same discussion came up during last years audit).

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Mr. Gordon explained that he has not changed the reporting method of the audit, which does not include the AIG annuities, and the audits have always been State excepted. Ultimately AIG is responsible for pensioners, not the City. Lastly Mr. Gordon stated that the board does not have to take a risk with continuing with his firm because the board has first hand experience with him and his services. The Trustees noted that they went out for the Auditor RFP due to Trustee diligence and not because they were having any issues.

Stroemer & Company, LLC – Presented by John Stroemer & Kathy Naughton

Mr. Stroemer introduced himself and Ms. Naughton. He stated that he is one of the partners in the firm and Ms. Naughton is head of client services. Altogether Stroemer has 37 employees with a complete paperless system. He noted that 75% of their revenue sources come from the retirement world. Mr. Stroemer reviewed the different boards that he serves on such as the legislative state committee and others. Stroemer also has their own peer review team in which they find very beneficial for clients. Ms. Naughton explained the audit process they go through and what areas they are looking for while performing the audit. Stroemer only currently has 1 Florida defined benefit fund and they are looking to expand. The proposed fee for their auditing services is \$7,500, guaranteed for the next 3 years.

Board Discussion:

The Trustees had a lengthy discussion on all the presentations. They noted that they were not comfortable with Stroemer at this time because they only had 1 Florida defined benefit fund and they were worried about them being familiar with all the Florida rules and regulations surrounding these types of pensions. The other 2 firms have plenty of experience in the defined benefit field and have the same qualifications, just different fees. The Trustees explained that they always trying to save the plan money and that they are comfortable with staying with their current auditor, Steve Gordon.

A motion was made by Dorritt Miller to select and continue their auditing services with S.I. Gordon & Company, locking in a fee of \$8,500 per year for the next 3 years. The motion was seconded by Jeff Green and carried 6-0.

MINUTES

The Board reviewed the minutes from the regular meeting held on May 28, 2013.

A motion was made by Jeff Green to approve the minutes from the regular meeting held on May 28, 2013 as amended. The motion was seconded by Marta Vittini and carried 6-0.

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

• **DISBURSEMENTS**

The Board reviewed the disbursement list presented for the month of June 2013.

A motion was made by Bob Burd to approve the disbursements for the month of June 2013. The motion was seconded Leon Pinder 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 May 2013.

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

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

N/A

OTHER BUSINESS

Duty Disability Review/Discussion:

Ms. Ross presented the board with an updated duty disability application for John Turner. Mr. Tuner obtained a letter from his doctor, but this letter does not state that Mr. Turner meets the pension board's qualifications of a duty disability retirement. Ms. Urcheck stated that the plans language states that a member must be totally and permanently disabled in order to be considered for a duty disability retirement under this plan. A member's application is not considered complete until a certified letter from the doctor is attached, either stating that the member is totally and permanently disabled or not.

Ms. Urcheck reviewed the background of the case and stated that the member resigned since there were no more light duty positions available in his workforce. Mr. Turner did receive a settlement with Workman's comp. *Mr. Tuner & Mrs. Tuner entered the room.* The Trustees explained to Mr. Turner and his wife what the qualifications were to be considered for a duty disability retirement under the plan and noted that the letter recently obtained from his doctor did not state this. Mr. Turner reviewed his situation with the board and explained that he was involved in an accident in a City vehicle a couple of years ago. His back was badly injured and he has been on light duty since. Just a couple of weeks ago his supervisor told him mid shift that he would need to go home as the City did not have any more light

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duty positions available for him anymore. He reiterated that it was not his choice to stop working and would continue too if there was still a position available in the City under light duty.

The Trustees had a lengthy discussion on the case and the process they need to follow as a board. Ms. Urcheck stated that she will complete a questionnaire form that Mr. Turner's doctor will need to complete, sign, and certify. This form will help determine if the member meets the plans eligibility for a duty disability retirement. This form will be included in all disability packets from now on as well. Ms. Ross stated that once the form is complete by legal council, she will then forward it on to Mr. Turner's doctor to be completed. She stated that she will notify Mr. Turner if he needs to attend a doctor's appointment in order for this form to be completed, or if his doctor has enough information to complete the form based on Mr. Turner's existing records and office visits with him. Ms. Ross also commented that she will share the results with all parties once the form is received back from Mr. Turner's doctor, and then the board can go from there in proceeding with their next step in the disability process. Ms. Urcheck explained that at the next meeting when all the documents are received back from Mr. Turner's doctor, the board can then decide at that time if they have enough information to either; grant the duty disability retirement, not grant the duty disability retirement, send the member for an IME, or collect any additional information that may be needed.

Bogdahn Flash Performance Report:

Ms. Ross presented the board with the Bogdahn preliminary flash performance report as of May 31, 2013. She noted the fund is up 1.45% for the month, 2.66% for the quarter to date, and 10.99% for the fiscal year to date.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for August 27, 2013 the meeting was adjourned at 3PM.