

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

**MINUTES OF MEETING HELD  
DECEMBER 5, 2014**

A regular meeting of the Board of Trustees was called to order at 1:07 by Chairman Robert Burd in Room 5.19 (5<sup>th</sup> Floor), 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Robert Burd, Chairman  
Dorritt Miller, Secretary  
Leon Pinder, Trustee  
Jose Rodriguez, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers  
Jon Breth, Investment Consultant – The Bogdahn Group  
John Hamlin – Investment Manager – Dana Advisors

**PUBLIC COMMENTS**

Mr. Burd announced that today was going to be his last meeting because he will be retiring from the City at the end of this month. The Trustees thanked Mr. Burd for his time and commitment on the Board all these years and wished him luck in his retirement.

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

Mr. Breth briefly updated the Board on the market environment during the quarter and noted that September 2014 was not the greatest month. Overall domestic is doing better than International and therefore Mr. Breth will discuss some portfolio rebalancing later on as well as introducing the Board to Real Estate. He reviewed the Plan's performance for the quarter and fiscal year ending September 30, 2014. The Plan's assets are now up to \$44.8M and for the quarter the fund was in line with the index at -0.72%, but they had a great fiscal year at 14.57% versus the index at 10.90%. Mr. Breth reviewed each manager's performance for the quarter and noted that Dana underperformed as well as both of the International accounts. Garcia Hamilton was the only manager that outperformed for the quarter. The Trustees discussed the PIMCO fund in light of all their recent events. The Bogdahn Group is recommending to all their clients to move away from the actively managed PIMCO accounts such as the Total Return Fund, but they are not recommending moving away from the PIMCO diversified fund in which this Plan is invested in because it is a mutual fund and they do not think it is at risk.

Mr. Breth passed out a Real Estate informational book. He explained that he would like to add some open ended core real estate into the portfolio because it adds great diversification as well as generates good income. Mr. Breth explained what open ended core real estate is and noted that this type of investment offers quarterly liquidation. He reviewed the different asset

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classes these types of managers invest in and noted that all of the properties have high occupancy rates. Mr. Breth reviewed the differences between the managers and commented that due to the size of the Plan he would recommend going with either American Realty or Cornerstone. All the managers are basically in line with each other in regards to the fees and all managers have an incoming queue. Mr. Breth explained that he would like the Board to have time to review and do more research in regards to real estate, but in the meantime he will update the Plan's investment policy guidelines to add in an asset class to real estate and also alternatives for the future. He will bring the updated investment policy guideline back to the next meeting for review and then they can discuss the real estate in more depth at that time as well.

**INVESTMENT MANAGER REPORT – DANA ADVISORS (PRESENTED BY: JOHN HAMLIN)**

Mr. Hamlin welcomed himself back and introduced himself to the new Trustees. As of September 30, 2014 the portfolio's assets were up to \$12.6M and they had a gain of \$2.6M for the fiscal year. They did not have a great quarter as they were down -0.11% versus the index at 1.13%, but they did have a great fiscal year at 21.61% versus 19.73%. Mr. Hamlin briefly reviewed Dana's investment process and philosophy. They are sector and position neutral and their main goal is to buy cheap stocks with high earnings growth. There are about 55 stocks in the portfolio and he reviewed the top 5 and the bottom 5. Since the end of the quarter things have turned around and they are outperforming again. Mr. Hamlin explained that they think rates will continue to remain low for a while, at least through 2015.

**MINUTES**

The Board reviewed the minutes from the regular meeting held on August 26, 2014.

**A motion was made by Jose Rodriguez to approve the minutes from the regular meeting held on August 26, 2014. The motion was seconded by Dorritt Miller and carried 4-0.**

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

• **DISBURSEMENTS**

The Board reviewed the disbursement list presented through November 11, 2014.

**A motion was made by Jose Rodriguez to approve the disbursements through November 11, 2014. The motion was seconded Leon Pinder and carried 4-0.**

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**OTHER BUSINESS**

Ms. Ross presented the board with the 2015 meeting dates.

Ms. Ross explained that Salem Trust would like to start paying all Plan's service providers by an ACH payment versus mailing a check. Salem would like the Board's permission to reach out to each of the Plan's service providers to see if they would agree to this change. The Trustees discussed and noted that this has no impact on the Plan, the Board, or the portfolio so the Trustees agreed.

**A motion was made by Dorritt Miller to sign the Salem Trust authorization for ACH payments form. The motion was seconded by Jose Rodriguez and carried 4-0.**

**ADJOURN**

There being no other business, and the next regular meeting having been scheduled for February 24, 2015 the meeting was adjourned at 2:27PM.

*\*note the January 2015 meeting was canceled\**

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Dorritt Miller, Secretary