

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

**MINUTES OF MEETING HELD  
FEBRUARY 25, 2014**

A regular meeting of the Board of Trustees was called to order at 1:32 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  
Benny Rodgers, Trustee  
Michelle Sias, Trustee  
Mary Brandenburg, 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 briefly reviewed the 4<sup>th</sup> quarter report. He commented on the market environment and noted that most indices were positive with the exception of fixed income. The total fund net of fees was ahead of the index at 7.83% versus 5.65%, and for the one year they are also ahead at 20.94% versus the index at 17.43%. Mr. Breth reviewed the funds asset allocation and stated that they have maintained an overweight to domestic equity and an underweight to fixed income. All managers outperformed their index for the quarter, but Mr. Breth commented that Barings is still on the "watch list".

The Trustees had a discussion regarding Barings and their performance for the past 3 quarters. Mr. Breth explained that Barings was hired in December of 2007 and they did deliver strong returns for the first 4 fiscal years, but the last fiscal year they did underperform by a lot. Analyst from Bogdahn recently took a trip to personally visit Barings as a firm, and due to their findings Bogdahn is now recommending to their clients (that currently have Barings) to seek other alternatives. Mr. Breth explained that while visiting the firm they found out Barings has changed their investment philosophy and they also had some personnel changes in which Bogdahn was not comfortable with either. Therefore today he would like the board to look at some other alternative international equity mutual fund managers. The Trustees reviewed the different mutual fund managers that Mr. Breth brought forth in his presentation. They compared each manager's performance and fees. Mr. Breth stated that he would recommend the TSW fund for this plan because it has a lower fee of 105 basis points and they are also comparable

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to Barings. The Trustees had a lengthy discussion and commented that they did think it was time to move away from Barings.

**A motion was made by Michelle Sais to hire TSW (the international equity fund) and to transition the entire Barings Account portfolio to the TSW fund. The motion was seconded by Dorritt Miller and carried 5-0.**

The Trustees discussed the transition and how long it would take to complete. Mr. Breth stated that Barings will need a 10 day notice so hopefully everything will be completed by the beginning of April.

Lastly Mr. Breth stated that he does have one more recommendation in regards to rebalancing. He would like to reduce the fixed income allocation from 35% to 30%, and take the additional 5% and invest it somewhere else, such as Global Tactical Asset Allocation. He reviewed what kind of investment this was and also what firms offer it. The Trustees discussed the product and asked why they wouldn't move into something that was held in either the large cap, mid cap, or small cap. Mr. Breth explained that those areas are not trading high right now, but you also want to add diversification to the portfolio. The Trustees stated that they would like to table this matter until all the Trustees have had time to review this information.

**MINUTES**

The Board reviewed the minutes from the regular meeting held on January 28, 2014.

**A motion was made by Dorritt Miller to approve the minutes from the regular meeting held on January 28, 2014. The motion was seconded by Michelle Sias and carried 5-0.**

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

• **DISBURSEMENTS**

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

**A motion was made by Dorritt Miller to approve the disbursements through February 11, 2014. The motion was seconded Michelle Sias and carried 5-0.**

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

N/A

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**OTHER BUSINESS**

N/A

**ADJOURN**

There being no other business, and the next regular meeting having been scheduled for February 25, 2014 the meeting was adjourned at 2:53PM.

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Dorritt Miller, Secretary