

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

**MINUTES OF MEETING HELD
MARCH 24, 2015**

A regular meeting of the Board of Trustees was called to order at 1:39 by Secretary Dorritt Miller in Room 5.19 (5th Floor), 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Dorritt Miller, Secretary
Benny Rodgers, Trustee
Jose-Louis Rodriguez, Trustee
Mark Parks, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Brad Armstrong, Actuary – GRS
Brad Rinsem, Custodian – Salem Trust Company
Karen Russo, Custodian – Salem Trust Company

PUBLIC COMMENTS

N/A

The Trustees tabled the selection of the Chairman and Secretary again since the vacant Trustee seat has not been filled yet.

SALEM TRUST COMPAY – PRESENTED BY BRAD RINSEM & KAREN RUSSO

Mr. Rinsem introduced himself and Ms. Russo. He stated that he was here today to review their failed system conversion issue that took place in 2013 and now the subsequent SAE16 audit that followed. Mr. Russo briefly ran through the conversion process and what lead up to all the issues that they had during that time. Investment Managers were not following the new instructions and ultimately that caused delays in transactions and trades being posted and then a snowball of other issues occurred from there. Everything since then has been fixed and till this day everything continues to run smoothly, although they did just wrap up their audit cycle for that time period in which the transition occurred. The auditors issued an adverse opinion in their audit and when the report was released it caused a stir with some of auditors that they work with on the pension funds. Mr. Rinsem explained that some auditors felt like they needed to do additional testing since they could not rely on Salem Trust's audit at this point, and some auditors stated that they already do additional testing during the auditing process so they were comfortable with the outcomes. Ultimately in the end there have been no findings in the reports where additional testing was completed and that going forward all their SAE16 reports should come back clean since this is something they have no put behind them. The Trustees questioned whether or not the next SAE16 report will have an overflow of issues since the last report only covered through June 30, 2013 and their issues seemed to rollover until the end of the calendar year.

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**PRESENTATION OF THE 9/30/2014 ACTUARIAL VALUATION REPORT
– GRS (PRESENTED BY: BRAD ARMSTRONG)**

Mr. Armstrong introduced himself to the new Trustees and reviewed the history of the Plan and AIG. He reported on the Actuarial Valuation for the fiscal year ending September 30, 2014 and commented that on September 30, 2013 the City made a large (additional) contribution to the pension plan, which paid off the Plan's unfunded liability balance. Therefore the City does not have to make a payment for the fiscal year beginning October 1, 2015 as \$1,350,431 was deducted from the reserve account and applied towards the City's contributions. He reviewed the participant data and noted that there were 30 active members remaining in the Plan as of the end of the fiscal year and the Plan's funded ratio has now increased to 118%.

Lastly Mr. Armstrong explained that due to the new Senate Bill 534 requirements, the Plan now has 60 days from today to post the new required reports/disclosures on the City's website. Mr. Armstrong will be supplying the Plan with these reports shortly.

A motion was made by Benny Rodgers to approve and accept the September 30, 2014 Actuarial Valuation Report as presented. The motion was seconded by Mark Parks and carried 4-0.

MINUTES

The Board reviewed the minutes from the regular meeting held on February 24, 2015.

A motion was made by Jose Rodriguez to approve the minutes from the regular meeting held on February 24, 2015 as amended. The motion was seconded by Mark Parks and carried 4-0.

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

• **DISBURSEMENTS**

The Board reviewed the disbursement list presented through March 17, 2015.

A motion was made by Benny Rodgers to approve the disbursements through March 17, 2015. The motion was seconded Mark Parks and carried 4-0.

• **FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of February 2015.

The Board received and filed the financial statements through the end of February 2015.

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

N/A

OTHER BUSINESS

Ms. Ross noted that she had the American Realty agreement with her today to be executed by the Board.

Ms. Ross updated the Trustees on the election and noted that she is currently holding a second nomination period as she has not received any nominations to fill the vacant seat on the Board to date. The Trustees discussed the situation and noted that it might be time to update the Ordinance on the Trustee elections as there are not many active members left in the Plan and the Board may want to consider having another retiree serve on the Board (versus another active member). Ms. Ross stated that she will update the Board when the next nomination period ends to see if anyone is interested in the position and then the Board can discuss it at their next meeting.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for May 26, 2015 the meeting was adjourned at 2:44PM.

note the April 2015 meeting was canceled

Dorritt Miller, Secretary