

**THE CITY OF WEST PALM BEACH RESTATED EMPLOYEES'
DEFINED BENEFIT RETIREMENT SYSTEM
MINUTES OF THE SPECIAL MEETING HELD
APRIL 5, 2016**

A special meeting of the Board of Trustees was called to order at 1:42 by Chairman Leon Pinder in Room 5.19 (5th Floor), 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Leon Pinder, Chairman
Dorritt Miller, Secretary
Benny Rodgers, Trustee
Jose-Luis Rodriguez, Trustee
Mark Parks, Trustee

Also present were:

Audrey Ross & Scott Baur, Administrator – Resource Centers
Brad Armstrong, Actuary - GRS
Stacey Weinger, Attorney – City of West Palm Beach
Patricia Brosamer, HR Director – City of West Palm Beach

PUBLIC COMMENTS

N/A

**PRESENTATION OF THE 9/30/2015 ACTUARIAL VALUATION REPORT
- GRS (PRESENTED BY: BRAD ARMSTRONG)**

Mr. Armstrong presented the Board with the September 30, 2015 Actuarial Valuation Report. He reminded the Board that the City prefunded their contributions a couple of years ago. The current balance of this prepaid reserve account is \$5,366,499 as \$795,214 was paid out from it this year towards the City's normal costs/contributions. Mr. Armstrong also noted that the mortality table in this report was changed to reflect the new State mandatory requirement of using the same mortality table as the FRS. He commented that he thinks this change is responsible for this Plan. As of September 30, 2015 there were 26 active members, 162 retirees, and 8 vested deferred members. The last active member of the Plan is expected to retire in less than 10 years and then there will be no employee contributions into the Plan. Mr. Armstrong reviewed the Plan's investment rate of return for the fiscal year which was less than the 8% expected returned and therefore caused an \$800K loss to the Plan. The Trustees had a brief discussion regarding the Plan's expected rate of return of 8% and whether it was still reasonable or not. Mr. Armstrong stated that in his opinion 8% is still reasonable and in line with other pension plans, although this is a discussion the Board will want to have with their Investment Consultant as well. The Trustees discussed their current contracts with AIG and how they would go about securing future assets with them as eventually there will not be any new member or City contributions going into the Plan. Ms. Weinger stated that they will have to review the AIG contract and Mr. Armstrong

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stated that they still have some time to figure out things before going down this path.

A motion was made by Mark Parks to approve the September 30, 2015 Actuarial Valuation Report as presented. The motion was seconded by Dorritt Miller and carried 6-0.

OTHER BUSINESS

Mr. Baur explained the situation in regards to a retiree who was previously overpaid a COLA increase. Now the Plan is trying to recoup the overpayment from the retiree by not issuing any future COLA increases for about the next 5 years until the overpayment is paid back. Ms. Brosamer stated that the member is very upset because when the overpayment started a couple of years ago, she called PRC to notify them of this but was told the new amount she was receiving was correct. The member does not feel that she should have to pay back the overpayment as it was not her fault, but rather the administrative company's error. The Trustees had a very lengthy discussion on this issue and wanted to make sure this would not happen again going forward with any other member. Mr. Baur reassured the Board that this error would not happen again as they have the correct procedures in place, but the employee did not follow them and that was dealt with as well. The Trustees feel that the administrator should be responsible for the overpayment difference to the Plan and not the member, as it was not her fault and therefore should not be punished with taking away her future COLA increases.

A motion was made by Dorritt Miller to increase Ms. Arlette Duncan's pension payment to the current amount of \$878.02, which includes any COLA increases she may have missed. Also the Resource Centers is responsible for reimbursing the Plan the outstanding overpayment amount owed by Ms. Duncan to make her pension and the Plan whole. The motion was seconded by Mark Parks and carried 6-0.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for May 24, 2016 at 1:30PM, the meeting was adjourned at 2:55PM.

Dorritt Miller, Secretary