

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

**MINUTES OF MEETING HELD
MAY 24, 2016**

A regular meeting of the Board of Trustees was called to order at 1:31 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, Administrator – Resource Centers
Jon Breth, Investment Consultant – The Bogdahn Group
Nancy Urcheck & Stacey Weinger, Attorney – City of West Palm Beach
Joel Johnson – Retiree
Betty, Retiree

PUBLIC COMMENTS

The members of the public/retirees expressed their frustration regarding the COLA benefit. They stated that they would like the COLA language changed so that the increase is not tied to a CPI, but rather a set amount/percentage is given each year. The Trustees stated that this is a closed plan and they cannot change any of the benefits or how they are calculated, including the COLA. There was a lengthy discussion on the implementation of the COLA benefit, how it is calculated, and who is entitled to it. Ms. Ross explained that due to the CPI being flat at the end of the 2015 fiscal year, some retirees (mostly the more recent retirees) did not get a COLA increase for 2016. She also stated that going forward if this case was to arise again, a notice will be sent to each individual retiree notifying them that they will not be receiving a COLA increase for that year and why. She apologized for this past year as those notices were not sent out as everything happened last minute.

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

Mr. Breth reviewed the March 31, 2016 quarterly report. He noted that during the quarter the market was down in January, rebounded, and then bottomed out the end of February. He reviewed the compliance checklist and stated that they are in line with the targets and policy. Healthcare was the worst performing sector during the quarter as fixed income held up the portfolio. Mr. Breth reviewed the asset allocation and stated that he does not have any recommendations for rebalancing at the moment. For the quarter the total fund net of fees was flat (0%) versus the index at 1.69%. For the fiscal year to date they are up 3.37%, but trailing the index at 5.41%. Mr.

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Breth briefly reviewed each manager's performance during the quarter and noted that both Dana and Argent underperformed their relative indexes, but their long term performances are good. Real estate and fixed income were the leading sectors and managers this quarter. Overall the fund is doing well and Mr. Breth does not have any recommendations for changes at this time.

Mr. Breth briefly reviewed the Plan's flash performance report as of April 30, 2016. For the month the fund is up 0.08% and for the fiscal year to date they are up 3.62%. Domestic equity is still negative and lagging for the month, but all other managers are doing well. Mr. Breth noted it is a rough market place for active domestic equity managers right now. He noted that real estate is a little over weighted due to investment gains and fixed income is underweighted, so next quarter they will look into rebalancing both sectors. Also Mr. Breth will be inviting Dana to attend the next meeting.

Lastly Mr. Breth discussed with the Board their current assumed rate of return as a follow up from last meeting. Currently the assumed rate of return is 8% and Mr. Breth stated that he does think that is still attainable over the next couple of years. If the Board would like to look into lowering it, then they would need to get a cost study from the Plan's Actuary. The Trustees noted that lowering the assumed rate of return would cost the City additional funds and there is no need to do that right now if the Consultant is comfortable where they are currently at. Mr. Breth concurred and reiterated that he is still recommending 8%.

MINUTES

The Board reviewed the minutes from the regular meeting held on February 23, 2016.

A motion was made by Jose-Luis Rodriguez to approve the minutes from the regular meeting held on February 23, 2016. The motion was seconded by Benny Rodgers and carried 5-0.

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

• **DISBURSEMENTS**

The Board reviewed the disbursement list presented through May 24, 2016.

A motion was made by Dorritt Miller to approve the disbursements through May 24, 2016. The motion was seconded by Benny Rodgers and carried 5-0.

• **FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of April 2016.

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The Board received and filed the financial statements through the end of April 2016.

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

Ms. Urcheck stated that she did draft some revised language regarding the COLA benefit that she would like the Board to review. This language does not change how the COLA benefit is calculated or issued, but rather tries to clarify the benefit for easier understanding.

OTHER BUSINESS

Ms. Miller commented that she recently attended an FPPTA school and noted that she thinks it would be very beneficial for the Plan's Attorney to attend one of the upcoming schools as they keep you up to date on all the pension information happening.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for August 23, 2016 at 1:30PM, the meeting was adjourned at 2:46PM.

Dorritt Miller, Secretary