

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

**MINUTES OF MEETING HELD
MAY 16, 2017**

A regular meeting of the Board of Trustees was called to order at 1:06 by Chair Leon Pinder in the Flagler Gallery Room (1st Floor, City Hall), 401 Clematis Street, West Palm Beach, Florida 33401.

Those Trustees present were:

Leon Pinder, Chair
Dorritt Miller, Secretary
Benny Rodgers, Trustee (arrived 1:14PM)
Jose-Luis Rodriguez, Trustee
Mark Parks, Trustee
Stephen Hunter, Trustee

Also present were:

Audrey Ross, Administrator – Resource Centers
Jon Breth, Investment Consultant – & Co. Consulting
Stacey Weinger, Attorney – City of West Palm Beach

PUBLIC COMMENTS

N/A

MINUTES

The Board reviewed the minutes from the regular meeting held on February 28, 2017.

A motion was made by Dorritt Miller to approve the minutes from the regular meeting held on February 28, 2017. The motion was seconded by Jose-Luis Rodriguez and carried 5-0.

**INVESTMENT CONSULTANT REPORT – &CO. CONSULTING
(PRESENTED BY: JON BRETH)**

Mr. Breth gave a brief market update for the quarter ending March 31, 2017. He noted that the raised rates during the quarter and that he thinks they will raise them again one more time this year. The equity markets continue to do well and he reviewed the Plan's compliance checklist and asset allocation. He noted that we are in line with the policy's targets, although there is a slight underweight to fixed income and a slight overweight to real estate, but he commented that he is fine with that because of the current market environment. Also during the quarter we added in the Vanguard and Clarkston accounts by funding them from the Dana and Argent accounts, although we don't have a complete quarter return for the new accounts yet. Mr. Breth reported that we ended the quarter with \$44.8M in assets, which was a gain of \$3.3M or 5.54% net of fees (versus the index at 5.43%) for the quarter. For the fiscal year the Fund is up 7.70% net of fees versus the index at 5.43%. He briefly reviewed each manager's performance for the quarter and noted that all the managers had a strong quarter and

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MAY 16, 2017

outperformed their relative indexes with the exception of TSW that was slightly trailing but still had a strong number return overall. Mr. Breth stated that this fund is doing very well and he does not have any recommendations at this time regarding the managers or rebalancing.

Mr. Breth stated that he will be creating an manager schedule so that we can start rotating the Plan's investment managers to present at the quarterly meetings.

Mr. Breth reviewed and discussed AndCo's investment manager search list and explained the process his firm goes through when selecting a manager to recommend to the Board. He noted that it is a very detailed and lengthy process that they go through. They have a dedicated team of analyst that specialize in each asset class that do all the research and diligence to bring back to the investment committee to intensely review. This investment committee also consistently continues to review the investment manager's lists on a quarterly basis.

Lastly Mr. Breth presented the Board with an updated investment policy statement (IPS). He noted that he revised the IPS to update the Plan's target allocations by decreasing the domestic large cap growth & value, and adding it to domestic index. He noted that he will also revise the Plan's assumed rate of return from 8% to 7.5% on page 2.

A motion was made by Dorritt Miller approve the revised IPS with the revision to page 2. The motion was seconded by Jose-Luis Rodriguez and carried 6-0.

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

- **DISBURSEMENTS**

The Board reviewed the disbursement list presented through May 16, 2017.

A motion was made by Jose-Luis Rodriguez to approve the disbursements through May 16, 2017. The motion was seconded by Dorritt Miller and carried 6-0.

- **BENEFIT APPROVALS**

Ms. Ross presented the Board with the benefit approval list dated May 16, 2017.

A motion was made by Jose-Luis Rodriguez to approve the benefit approval list dated May 16, 2017. The motion was seconded by Dorritt Miller and carried 6-0.

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MAY 16, 2017

• **FINANCIAL STATEMENTS**

Ms. Ross presented the Board with the statement of income and expense and the balance sheet through the end of April 2017.

The Board received and filed the financial statements through the end of April 2017.

ATTORNEY REPORT – CITY OF WEST PALM BEACH (PRESENTED BY: STACEY WEINGER)

Ms. Weinger explained that her office worked with the Plan's Actuary to try and come up with some simpler COLA language that would help clarify how the benefit is actually calculated and administered. The Trustees had a lengthy discussion on the proposed language and stated that adding in a sample COLA calculation might help members understand more clearly, although each member has an individual calculation completed each year as it is a case by case scenario.

A motion was made by Mark Parks to authorize the Plan's Attorney to work with the Plan's Actuary to add in a sample COLA calculation to the proposed language. The motion was seconded by Dorritt Miller and carried 6-0.

The Trustees asked if there was an update on retiree Leroy Johnson regarding possibly filing for a disability benefit although he is already receiving a normal retirement benefit. Ms. Weinger stated that she did not have an update today but will get with Ms. Urcheck following this meeting to see what information is available.

OTHER BUSINESS

Ms. Ross presented the Board with a letter from GRS regarding a proposed fee increase due to the new electronic reporting requirements that the Division of Retirement is now mandating. Each year the Actuary will need to update the Plan's online portal through the Division of Retirement with the all fiscal year end reports such as the Actuarial Valuation, Financial Statements, and all the new compliance reports that are required as well. GRS proposes a one-time online setup fee of \$1,250, and then each year thereafter it will be an annual fee of \$500 to update the online portals with the appropriate reports. The Trustees discussed the new reporting requirements as well as the proposed fee. They decided to table this letter until they have more information from GRS.

Ms. Ross stated that she would like the Board's direction in regards to releasing retirement check dates prior to the 27th of the month when that date falls on a weekend or a holiday. She explained that all retirement checks are dated for the 27th of the month and they cannot be released to members prior to that date as that is part of our internal controls here at the

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MAY 16, 2017

Resource Centers. Although if the 27th falls on a weekend or a holiday, then members are waiting a couple of extra days to get their pension payment (this only affects members that are not setup on direct deposit and are receiving a paper check either by mail or are coming to our office to pick it up each month).

A motion was made by Mark Parks to authorize the Resource Centers to release pension checks to members prior to the 27th of the month if the 27th falls on a weekend or a holiday. The motion was seconded by Dorritt Miller and carried 6-0.

Ms. Ross reminded the Trustees that their Annual Form 1 Disclosure Forms are due July 1, 2017. They need to be filed with the Supervisor of Elections in the County that the Trustees reside in.

Lastly Ms. Ross presented the Board with the KeyBank annual review report for the fiscal year ending September 30, 2016. She commented that they issue this report each year and it is for informational purposes only and no action is required.

ADJOURN

There being no other business, and the next regular meeting having been rescheduled for August 23, 2017 at 1:30PM, the meeting was adjourned at 2:06PM.

Dorritt Miller, Secretary