

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

MINUTES OF SPECIAL MEETING

April 20, 2021

Benny Rodgers called an electronic meeting of the Board to order at 2:34 PM. Mr. Baur confirmed roll for the Board. Those persons present included:

TRUSTEES

Benny Rodgers, Chairman
Jose-Luis Rodriguez
Christopher T. Harrison
Stephen Hunter
Leon Pinder

OTHERS

Scott Baur & Denise McNeill, Administrator
(Resource Centers)
Brad Armstrong, Actuary (GRS)
Stacey Weinger, Attorney (City of WPB)
Jennifer Chripczuk, HR (City of WPB)

PUBLIC COMMENTS

There was no public comment.

COST OF LIVING ADJUSTMENT REVIEW (COLA) – Brad Armstrong

Mr. Baur explained the special meeting was requested to discuss a proposed study to review the COLA information. He reviewed the history of the process used by the administrator which was being provided by AIG. The Trustees had discussed the 2021 COLA list at their February meeting and Mr. Rodgers had inquired into specific information on the report. Brad Armstrong explained the following: He had reviewed the information at the request of Benny Rodgers and essentially agrees with the detail. He has worked with the administrator the past few weeks reviewing all of the detail, noting AIG was also very cooperative and provided a spreadsheet with great detail. AIG has been using the CPI-U primarily, which is the more common index; however the Plan requires the CPI-W. Both indexes tend to mirror fairly closely and occasionally differ. A response from a Vice President of AIG stated "whatever AIG does with respect to its contract with WPB has no bearing on what the participants receive from the Trust". Over the years the effects were usually marginal, until recent years. Mr. Armstrong recommended the board approve to have him retroactively look back to 2017 as the difference between the two indexes was 2% for 2017 and 2018. He suggested holding all harmless as to what the benefit was as of January 1, 2017, then review forward to determine any discrepancy. Mr. Armstrong confirmed he has reviewed all members, inclusive of those only covered by AIG as well as those covered by the Plan. He recommended adjusting for 2021 and moving forward noting it will be easier to explain once the Board has the detail with the CPI-U and CPI-W. There may be a few people with recent retirements who may have a benefit slightly higher due to AIG using the CPI-U. It may be less disruptive and less confusing if the Plan makes the adjustment against next year's COLA. The administrator has already provided all of the detail so the review is expected to take two weeks. The proposed actuarial fee to do the task was based on the time and expenses with the cost not to exceed \$4,000. Mr. Armstrong believes it will take GRS

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over the \$4,000 limit on their end due to the timing to review the disabilities and special cases; however he feels all members deserve the review and doesn't want the cost to prohibit the Board from doing it. Mr. Armstrong responded to questions noting that no one was substantially financially harmed or benefited from the difference in past years and believes the recent years with the larger difference in the CPI has created more of the issue for the Plan. He confirmed that the proposal is to make an adjustment retroactively to January 2021. Discussion followed regarding the COLA process overall and how the current situation has come to be.

A motion was made by Jose-Luis Rodriguez to have the actuary produce a study of the COLA to review the amounts being received by plan members. The motion received a second by Stephen Hunter and was approved 5-0.

The study is expected to be provided to the Trustees for discussion at the May meeting.

PUBLIC COMMENTS

There was no public comment.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for May 25, 2021 at 3:30 P.M., the meeting was adjourned at 3:00 P.M.

Mark Parks, Secretary