

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

**MINUTES OF MEETING HELD  
May 25, 2021**

A regular meeting of the Board of Trustees was called to order at 3:37pm by Secretary Mark Parks in the virtual meeting held online. Mr. Rodgers had requested Mr. Parks chair the meeting due to efficiency explaining that he had received the documentation for review prior to the meeting; however he did not have the documents in front of him at the time of the meeting.

Trustees present were:

Benny Rodgers, Chairman  
Mark Parks, Secretary  
Jose-Luis Rodriguez, Trustee  
Christopher T. Harrison, Trustee  
Leon Pinder, Trustee  
Stephen Hunter, Trustee  
Armando Fana, Trustee

Also present were:

Scott Baur, Albert Lovingood & Denise McNeill, Administrators – Resource Centers  
Stacey Weinger, Attorney – City of West Palm Beach  
John McCann, Investment Consultant – AndCo Consulting  
Jennifer Chripczuk – Human Resources – City of West Palm Beach  
Brad Armstrong - GRS

It was noted that the full board is meeting electronically as per City allowance.

**PUBLIC COMMENTS**

There were no public comments.

**MINUTES**

The Board reviewed the minutes from the regular meeting held on February 23, 2021 and the special meeting held April 20, 2021.

**A motion was made by Leon Pinder to approve the minutes from the regular meeting held on February 23, 2021 as presented. The motion received a second by Benny Rodgers and was approved 7-0.**

**A motion was made by Benny Rodgers to approve the minutes from the special meeting held on April 20, 2021 with the correction of a spelling typo. The motion received a second by Leon Pinder and was approved 7-0.**

INVESTMENT CONSULTANT REPORT – ANDCO CONSULTING (PRESENTED BY:  
John McCann)

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Mr. John McCann presented the Investment Report for the quarter ending March 31, 2021 noting the Plan has hit the \$50M threshold. Domestic equities are over the target weights while domestic fixed income are under so he will be presenting rebalance recommendations after reviewing assets. The Plan was over \$52M at the close of April bringing fiscal year to date over 19%. He reviewed the three, five and seven year numbers explaining that although they were behind the policy, the numbers are great. Mr. McCann reviewed each manager in detail in relation to each bench. Mr. McCann then reviewed the current asset allocation and presented a revised draft Investment Policy inclusive of a new class for large cap value. Lengthy discussion followed regarding the asset classes and the potential addition of large cap value. Mr. McCann explained they need to rebalance and the Plan is now at a level where it is reasonable to add the large cap value asset class so he felt they could cover both actions at this time; however if the Trustees are not comfortable adding the new asset class at this time, then they only need to take action instructing the rebalance to the current asset classes. The Trustees agreed to rebalance and save the discussion for the additional asset class for the next meeting.

**A motion was made by Benny Rodgers to rebalance the portfolio as per the consultant's recommendation moving \$2M from Argent, \$1M from Dana and \$1M from Vanguard S&P and transferring \$3M to Garcia Hamilton and \$1M to PIMCO Global. The motion received a second by Christopher Harrison and was approved 7-0.**

Mr. McCann will invite a few large cap value managers to the next meeting to present the asset class to the board.

Mr. McCann then recommended setting a schedule for manager attendance at future meetings. He had provided a list reflecting August 2021 - Carlston, November 2021 - Dana and Argent, February 2022 (no managers due to audit and valuation presentations), May 2022 - Garcia Hamilton and American Realty.

**A motion was made by Benny Rodgers to approve the manager attendance schedule. The motion received a second by Leon Pinder and was approved 7-0.**

GRS COLA REVIEW

Brad Armstrong presented a review of the COLA detail as approved by the Board at the special meeting in April. He explained that the retirement date is very important in the process; disability member conversions and beneficiary dates change the index date. For example, April 30<sup>th</sup> uses an April index while May 1<sup>st</sup> uses a May index. Also, as he mentioned in the April meeting, AIG has been using the CPI-U schedule while the Plan is expected to use the CPI-W schedule. He has gone back four years and will have a list of questions for the administrator to research. He explained calendar year 2020 had low inflation which caused the appearance in the one year change being down 2%. The COLA has a carryover bank, which they have redeveloped. According to the

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preliminary review, 71 members have a COLA increase relative to what AIG provided for January 2021 and five members actually have a lower amount. Two of the five reductions are due to the CPI-U vs CPI-W. In reviewing the disability members, the actuary is pausing to verify the appropriate retirement dates for each. He noted there were many disabilities prior to the Plan closure. Name changes will also always pose an issue related to tracking benefits. Mr. Rodgers noted there were also a significant number of retirements in 2007 due to the early retirement buyout incentive. Overall, the review has not been completed due to pending questions that need to be reviewed and the process was much more exhaustive than initially expected. Now that they are recognizing a proper index, they have developed a template for moving forward. He reminded the Trustees the issue was only recently identified due to low inflation and due to Benny Rodgers inquiry about the COLA amounts. Mr. Armstrong requested the board approve that he move forward with the COLA amounts listed on the report presented and then they will work with the administrator on pending questions and finish the review of the disability members. The adjustments for the ones to be reduced will be adjusted and offset against 2022 as per the Board's prior discussion. Mr. Baur noted there are two parts to this COLA review; the first is for the actuary to complete the review of the current amounts and then the second part would be for COLA going forward. Mr. Baur recommended the board have the actuary review and handle annually for the Plan moving forward. Mr. Armstrong responded to various questions from the Trustees. He noted that overwhelmingly, the COLA's have historically been 2%. He noted that after the Plan closed, the COLA was extremely complicated and they had proposed to the Board to fix the process several years ago to minimize confusion; however the City would not agree for changes to be made. Now, several years later, anomalies have been identified, due to the 2020 inflation adjustments which have drawn attention to the issue. Mr. Armstrong explained, if approved, he recommends the COLA adjustments be implemented and beginning January 2022 the COLA will reflect the increase in the CPI-W from October 2020 to October 2021. If that CPI-W difference is 0.75% (under 1%), then the amount is carried over to the next year. They will ensure all COLA information is transparent.

Armando Fana had departed the meeting at 4:31 PM.

**A motion was made by Benny Rodgers to have the actuary (GRS) handle the annual COLA review process. The motion received a second by Leon Pinder and was approved 6-0.**

**A motion was made by Leon Pinder to allow the actuary to complete the current COLA review and to apply the payment adjustment retroactively to January 2021. The motion received a second by Stephen Hunter and was approved 6-0.**

Mr. Armstrong note the COLA review is an additional service. GRS does not currently have a formal contract with the Plan. He explained the fees have been fixed for several years. He was not proposing any change to the current amount; however he recommended entering into a more current contract.



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

Attorney Stacey Weinger explained the City is in the process of working on an RFP for the administrative services. The RFP is being drafted by the procurement department. Ms. Weinger explained they will be going out to bid on all service providers to update contracts and the actuary is on that schedule as well. She explained Mr. Parks was going to look into the AndCo investment consultant review. Mr. Rodgers noted the current administrator is local, employing personnel locally and he would like for that to be taken into consideration in the review of plan administrators. Ms. Weinger explained they use specific scoring criteria in the process. She confirmed all trustees will be able to review and respond to the draft RFP when it is ready for release.

ADMINISTRATIVE REPORT – RESOURCE CENTERS (PRESENTED BY: Scott Baur and Albert Lovingood)

**BENEFIT APPROVALS:** The Board reviewed the Benefit Approvals dated May 25, 2021. It was noted all benefits related to beneficiaries.

**A motion was made by Benny Rodgers to approve the Benefit Approvals dated May 25, 2021 as presented. The motion received a second by Leon Pinder and was approved 6-0.**

**MEETING DATES AND TIMES:** The trustees discussed the meeting days and times. They did not wish to change the meeting date and did not feel the adjusted time had been beneficial for attendance in the recent meetings.

**A motion was made by Benny Rodgers to move the meeting time back to 1:30 PM. The motion received a second by Stephen Hunter and was approved 6-0**

**FPPTA 2021 EVENTS:** Mr. Baur reported the upcoming conference will be in person. There will be no FPPTA sponsored events for families and there will be no golf event. The Resource Centers can register the Trustees as needed; however each Trustee should secure their own hotel registration and forward the information to the administrator so that the payment can be issued directly to the hotel accordingly.

**PAYMENT VERIFICATION UPDATE:** Mr. Baur explained the payment verification process is designed to verify members in pay status are still alive. He explained they began discussion of the process in 2019 and had planned to roll it out in 2020; however it was put on hold due to COVID. He explained the electronic process used for the past several years is no longer as effective as it once was due to the privacy law changes between the State and Federal levels. He feels the databases are probably incomplete to some extent and therefore they need to return to the manual annual process in addition to the constant electronic process being used. Members will receive a second and even third notice before

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benefits are turned off. They will have a list for the board to review at their August meeting to advise of those scheduled to have benefits suspended effective September. There is a possibility of finding deceased members and they will need to request a refund of overpayments in the event a member has passed away and it went unreported to the Plan.

**MEETING DISBURSEMENTS:** The updated financial statements through April 30, 2021 were included in the meeting packets for review. The Board then reviewed the disbursement lists presented for February 23, 2021 and May 25, 2021 (the February had been tabled from the prior meeting).

**A motion was made by Jose-Luis Rodriguez to approve the disbursements for February and May as presented. The motion received a second by Stephen Hunter and was approved 6-0.**

**OTHER BUSINESS**

Mr. Rodgers inquired about the Trustee and Chairman terms.

**ADDITIONAL REPORTS**

The following additional reports were provided in the electronic packets for informational purposes: American Realty distribution notice, AndCo ADV and privacy notice and Dana Investments quarterly report ending March 31, 2021.

**PUBLIC COMMENTS**

There were no public comments received via email during the meeting.

**ADJOURN**

There being no other business, and the next regular meeting having been scheduled for August 24, 2021 at 1:30 P.M., the meeting was adjourned at 5:12 P.M.

  
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