

May 29, 2014  
10:00 AM  
Newport, Oregon

The Retirement Board of the City of Newport met on the above date in the Conference Room A of the Newport City Hall.

Retirement Trustee present were Tim Johnson, Mike Schultz, John Baker, Rick Wright and Rebecca Cohen

West Coast Trust representatives present were Chris Magana and Beverly Reichard

Staff present was Linda Brown

### **CALL TO ORDER**

The meeting was called meeting to order at 10:00 AM

### **APPROVAL OF MINUTES**

MOTION was made by Mr. Schultz, seconded by Mr. Baker to approve the minutes as written with a corrections noted by Mr. Johnson. The motion carried unanimously in a voice vote.

### **DISCUSSION**

Mr. Johnson shared a letter from West Coast Trust stating they had hired Rob Howell as Director of Investments.

Mr. Johnson then turned the meeting over to Mr. Magana to discuss the market update for the 1<sup>st</sup> Quarter 2014.

Mr. Magana stated that this has been an interesting year so far this year. In January the S&P was down about 3.5%, in February the market went back up to about even for the year, in March and April the market was choppy. There has also been significant rotation out of growth stocks and small stocks, because they are under performing. The market has been good for the last five years, and therefore the choppiness for the market is not unusual.

In February the International Manager closed the fund for any new sales, because of that WCT found a new International Manager, T. Rowe Price. Their holdings are more concentrated, 30 to 50 stocks, a little more than most managers. But they have a great track record, they have a deep research team, there is a savings of .5% in expenses and they have a good down side performance.

## Performance review:

- Defined Benefit Consolidated
  - 2.51% up for the Quarter
  - 12.81% up for the Fiscal Year
  - 13.13% up for the Calendar Year
  - 4.09% up since inception
- Defined Benefit Trust
  - 01% up for the quarter
- Defined Benefit Capital Growth
  - 3.15% up for the quarter
- Defined Benefit Benchmark
  - .12% up for the quarter
- Defined Contribution
  - 2.68% up for the Quarter
  - 13.01% up for the Fiscal Year
  - 12.11% up for the Calendar Year
  - 4.63% up since inception

Because the Defined Benefit Trust plan has a large amount of funds, it was suggested that \$200 thousand move to the DB Capital Growth and \$100 thousand move to the DB Benchmark.

MOTION was made by Mr. Schultz, seconded by Ms. Cohen, to move \$200 thousand from the DB Trust to the DB Capital Growth and move \$100 thousand to the DB Benchmark. The motion carried unanimously in a voice vote.

Ms. Brown stated that we received a letter from Ms. Reichard regarding an addendum to the Agency Agreement Amendment. Ms. Reichard explained that there were some federal regulatory changes which needed to be added to the agency agreement. WTC would like the addendum to be signed.

A discussion was made regarding who receives the statement and who reviews the statement. Ms. Brown stated that she received the statement, but did not review the statement. It was decided that when Ms. Brown receives the statement, she would scan the statement in and email the statement to both Mr. Johnson and Mr. Schultz.

MOTION was made by Mr. Schultz, second by Mr. Wright to have Mr. Johnson, Trustee Chair, to sign the Addendum to the Agency Agreement Amendment with the change of the date on the addendum. The motion carried unanimously in a voice vote.

Discussion for next meeting to be on Thursday, the last week of July, July 31<sup>st</sup> at 10am.

Meeting adjourned with no further business, at 11:10 AM.