

**VILLAGE OF
PALM SPRINGS POLICE OFFICERS' PENSION FUND
MINUTES OF MEETING HELD
August 6, 2019**

The meeting was called to order at 10:07 A.M. in the Planning and Zoning Conference Room at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
James Gregory
Robert Perez

OTHERS

Bonni Jensen, Attorney
Margie Adcock, The Resource Centers
Jennifer Gainfort, AndCo Consulting

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting held May 7, 2019. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held May 7, 2019.

INVESTMENT MONITOR REPORT

Jennifer Gainfort appeared before the Board. She reviewed the market environment for the period ending June 30, 2019. She stated that it was a strong quarter, although it was volatile. Stocks suffered a bit of a setback in May but came back in June. Growth outperformed value. Large cap outperformed small cap. Developed markets outperformed emerging markets. Fixed income was positive for the quarter. Corporate securities were the best performing securities for the second quarter in a row.

Ms. Gainfort reported on the performance of the Fund for the quarter ending June 30, 2019. The total market value of the Fund as of June 30, 2019 was \$31,272,821. The asset allocation was 56.6% in domestic equities; 9.5% in international; 20.1% in domestic fixed income; 4.5% in global fixed income; 9.3% in real estate; and .0% in cash. The total portfolio was up 3.63% net of fees for the quarter ending June 30, 2019 while the benchmark was up 3.48%. The total equity portfolio was up 4.60% while the benchmark was up 3.97%. The total domestic equity portfolio was up 4.72% for the quarter while the benchmark was up 4.10%. The total fixed income portfolio was up 1.90% for the quarter while the benchmark was up 2.64%. The total domestic fixed income portfolio was up 1.98% for the quarter while the benchmark was up 2.39%. The total international portfolio was up 3.87% for the quarter while the benchmark was up 3.22%. The total global fixed income portfolio was up 1.46% for the quarter while the benchmark was up 3.51%. The total real estate portfolio was up 1.26% for the quarter while the benchmark was up 1.35%.

Ms. Gainfort reviewed the performance of the individual manager portfolios. The JP Morgan Disciplines portfolio was up 4.23% for the quarter while the S&P 500 was up 4.30%. The Parnassus Core portfolio was up 6.13% for the quarter while the S&P 500 was up 4.30%. The Vanguard Mid Cap Index portfolio was up 4.36% for the quarter while the Russell Mid Cap Index was up 4.13%. The Vanguard Total Stock Market portfolio was up 4.09% for the quarter while the Russell 3000 benchmark was up 4.10%. The EuroPacific Growth portfolio was up 3.87% for the quarter while the benchmark was up 3.22%. The Garcia Hamilton portfolio was up 1.98% for the quarter while the benchmark was up 2.39%. Ms. Gainfort noted that Garcia Hamilton had a shorter duration than the benchmark. Additionally they had higher quality securities while lower quality did better during the quarter. Over the long term Garcia Hamilton has done a strong job. The Templeton Global Total Return portfolio was up 1.46% while the benchmark was up 3.51%. Ms. Gainfort stated that the Templeton strategy is a volatile strategy. Long term they like the manager a lot. They have added value compared to domestic fixed income. The Principal portfolio was up 1.26% for the quarter while the NCREIF was up 1.35%.

Ms. Gainfort stated that she thinks everything is in a good place. She does not think there will be a resolution on the global trade issue any time soon. She stated that she expects the market to remain volatile.

ATTORNEY REPORT

Ms. Jensen provided a Memorandum dated May 21, 2019 regarding the Firefighter Cancer Presumption Bill (Senate Bill 426). She stated that this bill was finally passed into law. She stated that there are no changes that will need to be made to the Plan as this new law is not applicable here because there are no longer active firefighters in the Plan.

Ms. Jensen provided a Memorandum regarding Statutory Death Benefits and Expanded Public Records Exemptions (SB 7098 and SB 248) dated May 21, 2019. She reviewed the statutory death benefits.

Ms. Jensen provided an update regarding the issue regarding Comerica receiving a qualified SOC 1 Audit as of September 30, 2018. She stated that she finally was able to speak to Ms. Ryans at Comerica. She stated that the exception on the SOC 1 Audit does not really impact the Plan. However, it was noted that this is the second year in a row where Comerica had something remarkable on their SOC 1 Audit. Ms. Ryans advised that they would be more responsive in advising the Board of any issues related to their SOC 1 Audit. She stated that they have made changes to their processes to address the issues raised in the SOC 1 Audit as of September 30, 2018.

ADMINISTRATIVE REPORT

Ms. Adcock presented the disbursements. A motion was made, seconded and carried 3-0 to pay all listed disbursements.

Ms. Adcock presented a draft administrative expense budget for fiscal year 2020 that is required by Section 175.061(8)(a)2, Florida Statutes. The Board reviewed the draft

budget. There was a lengthy discussion. A motion was made, seconded and carried 3-0 to adopt the administrative expense budget as amended and provide the budget to the Village in compliance with Section 175.061(8)(a)2, Florida Statutes.

Ms. Adcock advised that the Fiduciary Liability Insurance is due to expire on November 1, 2019. A motion was made, seconded and carried 3-0 to renew the Fiduciary Liability Insurance with the cost not to exceed \$2,500.

Ms. Adcock stated that the Custodian inquired as to whether the Authorized Signer List needed to be updated. It was noted that the current Authorized Signer List is still correct.

The Board reviewed a letter from Larry Wilson of Gabriel Roeder Smith & Company dated June 28, 2019. Mr. Wilson advised that he was retiring and that Jennifer Borregard would be taking on the role of lead consultant for the Plan.

Ms. Adcock presented the Board with a letter from the Actuary dated July 11, 2019 regarding the cost of living amount effective October 1, 2019. It was noted that the retirees will receive a 1.4% cost of living adjustment effective October 1, 2019.

It was noted that the term of the 5th Trustee held by Tim Conboy is due to expire on September 30, 2019. This item will be placed on the Agenda for the next meeting as there were not enough Trustees to vote on the appointment at this meeting.

It was noted that the term for Robert Perez is due to expire on September 30, 2019. Ms. Adcock stated that she would reach out to the Village and ask the Village to reappoint Mr. Perez to the Board.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

James Gregory, Secretary