

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

**MINUTES OF MEETING HELD
May 9, 2019**

A regular meeting of the Board of Trustees was called to order at 1:3p by Secretary Jose-Luis Rodriguez in the 5th floor conference room, City Hall, 401 Clematis Street, West Palm Beach, Florida 33401.

Trustees present were:

Jose-Luis Rodriguez, Secretary
Armando Fana, Trustee
Mark Parks, Trustee
Benny Rodgers, Trustee
Stephan Hunter, Trustee

Also present were:

Denise McNeill, Administrator – Resource Centers
Albert Lovingood, Administrator – Resource Centers
Stacey Weinger, Attorney – City of West Palm Beach
John McCann, Investment Consultant – AndCo Consulting
Janna Hamilton, Investment Manager – Garcia Hamilton & Associates

PUBLIC COMMENTS

There was no public comment.

MINUTES

The Board reviewed the minutes from the regular meeting held on February 26, 2019.

A motion was made by Benny Rodgers to approve the minutes from the regular meeting held on February 26, 2019. The motion received a second by Stephen Hunter and was approved 5-0.

The Board reviewed the minutes from the special meeting held on March 26, 2019.

A motion was made by Benny Rodgers to approve the minutes from the regular meeting held on March 26, 2019. The motion received a second by Stephen Hunter and was approved 5-0.

**INVESTMENT MONITOR REPORT – GARCIA HAMILTON & ASSOCIATES
(PRESENTED BY: Janna Hamilton)**

Ms. Janna Hamilton appeared before the Board to present the first quarter review of Garcia Hamilton Fixed Income Fund. Ms. Hamilton started with a review of the firm along with the updates noting that the firm is 100% employee-owned and certified as an MBE firm. The organization focuses on

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high quality fixed income strategies designed to prevent any "negative surprises." Ms. Hamilton then reviewed the asset breakdown by type and client as of March 31, 2019.

Ms. Hamilton then reported on the fund's performance for the first quarter, she informed the Board that the fund outperformed the first quarter and that based on sector rotation and interest rates did not perform in recent period. The fund underperformed in the prior quarter due to being short in duration and lowering interest rates worked against the fund's strategy. Ms. Hamilton feels that there is an overreaction to the trade negotiations between the United States and China, and the BREXIT. Ms. Hamilton does not feel that there is a recession looming and feels that the economy is doing well, She stated that she expects the Fed to continue to increase rates with the possibility of seeing two more rate increases in 2019. The fund has outdone the benchmark each year since inception. The market is in good shape and the Fed will continue to increase rates in addition to seeing a flattening of the yield curve. Ms. Hamilton then reviewed the market expectation for the Fed Funds Rate Hikes and stated that it appears that the Fed has two cuts scheduled in the market; however she does not think that it will happen. There has been falling unemployment and the numbers are some of the best in decades. Ms. Hamilton ended her presentation by informing that Board that if a recession was to hit, they would alter the portfolio, noting that historically, there usually is a 12-15 month advance indicator of a recession. At the moment the pullback in the markets has artificially kept rates down. The artificial damper of the trade wars and BREXIT has kept an artificial damper on the markets. Quarter to Date, the fund is up 20 basis points vs. the index at 15 basis points.

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

Mr. John McCann reported that the first quarter was good as compared to the fourth quarter in 2018. The market rebounded strongly with higher risk assets posting the greatest returns. Board international and domestic equity markets had double-digit gains during the period. Mr. McCann then reviewed the asset allocation summary of the fund pointing out that the fund went from \$42,278,613 on December 31, 2018 to \$45,228,587 as of March 31, 2019. Mr. McCann then reviewed the comparative performance trailing returns, noting that Dana Investments did well in recent quarter; however they are way behind the benchmark for the year. Argent Capital also did very well this past quarter, however like Dana Investments; Argent Capital is also doing very poorly for the year as compared to the benchmark. Mr. McCann stated that he has no recommendations for any changes and that he just wanted to ensure that the Board was aware of the recent quarter and one year performance of the funds within the plan. Mr. McCann stated that the new manager, Clarkston Partners did very well in the down market but

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not as well in the recent quarter. RBC International was terminated due to poor performance and replaced with Pear Tree Polaris and Mr. McCann provided the Board with an update on that investment including the current to date performance. There was a discussion regarding the BREXIT impact along with how the rest of the funds within the portfolio performed. Mr. McCann ended his presentation by informing the Trustees that the Argent Letter is only for informational purposes and the Board does not need to act upon it.

**ADMINISTRATIVE REPORT – RESOURCE CENTERS (PRESENTED BY:
Denise McNeill)**

DISBURSEMENTS: The Board reviewed the disbursement list presented through May 9, 2019.

A motion was made by Stephen Hunter to approve the disbursements through May 9, 2019 as presented. The motion received a second by Benny Rodgers and was approved 5-0.

BENEFIT APPROVAL KENNETH DOCKSWELL: Ms. Denise McNeill presented the Board with the benefit approval list dated May 9, 2019. Ms. McNeill explained the benefit conversion of Mr. Dockswell as it was determined in 1994 when he retired.

A motion was made by Stephen Hunter to approve the benefit for Kenneth Dockswell as presented. The motion received a second by Benny Rodgers and was approved 5-0

BENEFIT APPROVAL JAMES WITMER: Ms. McNeill explained that when Mr. Witmer had been set for his benefit payments that it was an estimate and that the formal calculation had not been submitted. The Board requested that Mr. Witmer's GRS calculation be emailed to the Trustees to review

A motion was made by Stephen Hunter to approve the benefit for James Witmer as presented. The motion received a second by Armando Fana and was approved 5-0

FINANCIAL STATEMENTS: The Board reviewed the .

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

Ms. Weinger confirmed there were no additional items to be reported at this time.

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OTHER BUSINESS

FPPTA MEMBERSHIPS: Ms. McNeill informed the Board that Albert Lovingood reviewed all of the Trustees' FPPTA and CPPT fees have been paid. Mr. Lovingood informed the Board that Chairman Leon Pinder will be attending NCPERS in Dorritt Miller's place.

FORM 1 DUE JULY 1: Ms. McNeill reminded the Trustees to complete and submit their Form 1 no later than July 1, 2019. Secretary Jose-Luis Rodriguez reminded Trustee Armando Fana that he has 30 days to file his Form 1 as a new Trustee on the Board.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for May 9, 2019 at 1:30 P.M., the meeting was adjourned at 2:40 P.M.

A handwritten signature in cursive script, appearing to read "Jose Luis Rodriguez", written in dark ink.

Jose-Luis Rodriguez, Secretary