

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

**MINUTES OF MEETING HELD
August 27, 2019**

A regular meeting of the Board of Trustees was called to order at 1:30pm 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
Mark Parks, Trustee
Benny Rodgers, Trustee
Christopher T. Harrison, Trustee

Also present were:

Albert Lovingood, Administrator – Resource Centers
Stacey Weinger, Attorney – City of West Palm Beach
John McCann, Investment Consultant – AndCo Consulting

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.

INTRODUCTION OF NEWLY APPOINTED TRUSTEE (Christopher T. Harrison)

Albert Lovingood introduced Trustee, Christopher T. Harrison to the Board. Mr. Harrison is the Mayor's Appointed Trustee and he gave a short introduction to why he expressed an interest in joining the Board as a Trustee along with his professional experience working at BankUnited. After Mr. Harrison's introduction, all of the Trustees' and Service Providers present introduced themselves with a short summary of what their responsibilities are for the Pension Plan.

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February 26, 2019

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

Mr. John McCann took a moment to explain what his job is for the Pension Plan along with a summary about his firm AndCo. Mr. McCann stated that at the next quarterly meeting he would like to go into detail regarding the Plan's portfolio and how the plan did for Fiscal Year 2019. Mr. McCann then reported that there were broad positive asset class returns during the 2nd quarter of 2019, with both equity and fixed income indices extending their year-to-date gains. U.S. stocks outperformed international stocks during a very volatile quarter. Trade discussions between the U.S. and China fell apart in May, prompting an increase in tariffs and a sharp decline in the equity markets. The Federal Reserve's shift towards a more accommodative policy stance caused markets to rebound strongly. Mr. McCann then reviewed the asset allocation summary of the fund pointing out that the fund went from \$45,228,587 on March 31, 2019 to \$45,704,987 as of June 30, 2019. Mr. McCann then reviewed the comparative performance trailing returns, noting that Dana Investments did well for two consecutive quarters; however Argent Capital has not been doing very well for a while now. Clarkston Partners Fiscal year to Date returns are great, Pear Tree Polaris is a new fund that recently was added to the portfolio, Black Rock is trailing, however they are a new fund and we should give them some time to meet our expectations. American Realty is doing okay, they will never beat the index as they only purchase turnkey properties. Transamerica is not doing well, and Mr. McCann stated that he wants to watch them closely due to their continued failure to meet the target returns. For the month of March, Transamerica earned 8% compared to the benchmark of 10%, the December 2018 returns were -14% compared to the benchmark of -12%. Finally, the asset allocations are close to where we want them so there is no need to rebalance at this time. Mr. McCann informed the Board that the distribution from American Realty Advisors can be reinvested back into the fund if the Board wishes. The Board agreed to the suggestion and Mr. McCann stated that he would reinvest the distribution.

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

DISBURSEMENTS: The Board reviewed the disbursement list presented through August 27, 2019.

A motion was made by Mark Parks to approve the disbursements through August 27, 2019 as presented. The motion received a second by Benny Rodgers and was approved 4-0.

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BENEFIT APPROVALS AUGUST 27, 2019 Ms. Denise McNeill presented the Board with the benefit approval list dated August 27, 2019.

A motion was made by Mark Parks to approve the Benefit Approvals dated August 27, 2019 as presented. The motion received a second by Benny Rodgers and was approved 4-0

FINANCIAL STATEMENTS: The Board reviewed the Plan's Financial Statements.

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

PENSION BOARD ELECTION PROCESS AND APPOINTMENTS Attorney Stacey Weinger informed the Board that the Plan has three elected Trustees who serve a three-year term. Historically these elections were staggered in accordance with the guideline of the Pension Plan Ordinance. In 2017 all three elections were performed at the same time and all three Trustees have the same term expiration date of November 2020. Elections will need to be done and Ms. Weinger recommended that the terms should be staggered to get the election process back on track. Mr. Lovingood stated that he would look into the election history to determine what the term date schedule should be and present a few options to correct this error out.

OTHER BUSINESS

2020 MEETING SCHEDULE Mr. Lovingood presented the Board with the 2020 Board Meeting Schedule for review. The Board inquired if the meetings are set for the 4th Tuesday of every quarter which Mr. Lovingood was able to confirm.

CHANGE OF BENEFICIARY DESIGNATION AFTER RETIREMENT Mr. Lovingood informed the Board that there has been an increased interest in retired members wanting to change who is named as the survivor on their pension, noting that majority of these requests are being made by members who have divorced their partner's after retirement. Currently the Ordinance does not allow for this type of change to be done. The Trustees stated that this had come up before in the past and the City did not have an interest in making any changes to the Ordinance. Ms. Weinger informed the Board that with the Plan being a closed Plan, the city is reluctant to make any changes to ordinance.

STEPHEN HUNTER – 2020 NYSE PROGRAM TRAVEL INQUIRY

Mr. Lovingood presented a question from Trustee Stephen Hunter regarding his FPPTA trip to New York City for the 21st Annual Wall Street Lottery trip.

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Mr. Hunter wanted to know if he could seek reimbursement for the mileage driven up to the value of what a round trip airline ticket would cost. The Board stated that all of the Trustees need to adhere to the written Travel Policy.

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 2:50 P.M.

Jose-Luis Rodriguez, Secretary