

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

**MINUTES OF MEETING HELD
November 19, 2019**

A regular meeting of the Board of Trustees was called to order at 1:30pm by Chairman Leon Pinder in the 5th floor conference room, City Hall, 401 Clematis Street, West Palm Beach, Florida 33401.

Trustees present were:

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

Also present were:

Albert Lovingood, Administrator – 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

PUBLIC COMMENTS

There was no public comment.

MINUTES

The Board reviewed the minutes from the regular meeting held on August 27, 2019.

A motion was made by Mark Parks to approve the minutes from the regular meeting held on August 27, 2019. The motion received a second by Armando Fana and was approved 5-0.

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

Mr. John McCann reviewed the fiscal year to date return on the Pension Plan which is at 3.66% compared to fund policy rate of 5.44%. Mr. McCann reminded the Board that the fourth quarter in 2018 suffered horrible losses, however the first quarter in 2019, there was a rebound in the markets, and the second and third quarters did well. Mr. McCann then reviewed each individual manager, noting that Dana, Argent, and Clarkston all did very well, beating their benchmarks. Pear Tree Polaris is not doing very well with a loss of -2.78%, compared to the benchmark of -1.07%. Garcia Hamilton did great in the third quarter, however their fiscal year to date was disappointing. Templeton has not been doing well for the past year and their fees are currently at 0.65%. Mr. McCann stated that he will be keeping an eye on Templeton to see if they start to improve or if the Plan may need to

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seek out a better performing manager. For the third quarter the Pension Plan started with \$45,704,987 in assets. Net transfers totaled \$586,683 with contributions totaling \$15,487 and distributions totaling \$550,000. Other expenses totaled to \$3,165, total income was \$3,162, and the ending market value as of September 30, 2019 was \$45,537,089. For the fiscal year to date, the Pension Plan started with \$47,078,360 in assets. Net transfers totaled \$2,306,497, with contributions totaling \$481,962, and distributions totaling \$2,573,367. Other expenses totaled to \$11,892, total income was \$12,301, and the ending market value as of September 30, 2019 was \$45,537,089.

ADDITIONAL INVESTMENT REPORTS

Mr. Lovingood noted the following additional reports were in the Trustee packets for informational purposes: Argent Capital Quarterly Overview, Argent Capital Proxy Report, Argent Capital Appraisal, Argent Capital Compliance Certificate, Argent Capital Purchase and Sale Reports, Argent Capital Scrutinized Companies Letter, Garcia Hamilton Compliance and Adherence Letter,

**ADMINISTRATIVE REPORT – RESOURCE CENTERS (PRESENTED BY:
Albert Lovingood)**

SOC 1 AUDIT & CYBER SECURITY MEMO: Albert Lovingood presented the Board with a memo regarding The Resource Centers SOC 1 Audit and Cyber Security. Mr. Lovingood started his discussion with Cyber Security Measures mentioned in the memo. He informed the Board that the information is only a general overview of The Resource Centers current security procedures that are in place to prevent a cyber security breach within the company. He noted that due to the Board Meeting being a public meeting per the requirements of Florida Sunshine Laws, some of the safety steps taken are not mentioned in the memo, however, if any Trustee would like more details on the steps taken, The Resource Centers would be more than happy to schedule a meeting to review these details. Mr. Lovingood then reviewed The Resource Centers SOC 1 Type 2 Audit noting that not all Pension Plan Administration firms have a third party come in and perform this type of audit. The SOC 1 Audit results had no findings or exceptions found, which means that all The Resource Center's Policies and Procedures are being followed correctly. Mr. Lovingood informed the Board that The Resource Center has \$3 Million in cyber liability coverage across three separate insurance providers and is looking into increasing the cyber liability coverage.

AUTHORIZED SIGNOR UPDATE: Mr. Lovingood stated that the Trustees that he still needs signatures from are not present.

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MEETING DISBURSEMENTS: The Board reviewed the disbursement list presented through November 19, 2019.

A motion was made by Mark Parks to approve the disbursements through November 19, 2019 as presented. The motion received a second by Armando Fana and was approved 5-0.

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 she had worked with Mr. Lovingood in researching the historical election expiration dates for the three elected Trustees who serve a three-year term and have come up with a few options in how to correct out the term dates so that they are staggered per the requirement of the ordinance. Mr. Lovingood informed the Board that the elections that took place in 2017 was when the term dates were changed. From what he was able to find in the historical records, Benny Rodgers term should have expired on November 30, 2019, Stephen Hunter's term date should be November 30, 2020, and Leon Pinder's term date should be 11/30/2021. Ms. Weinger stated that Mr. Lovingood suggested two options to correct out the term expiration dates; the first option is to hold an election now for the seat that Benny Rodgers currently holds with a term date of November 30, 2022, then hold elections for the two seats held by Stephen Hunter and Leon Pinder in May of 2020 and have the term dates set to November 30, 2020 and November 30, 2021. The second recommendation was to hold elections in May of 2020 for all three seats and correct out the term dates as stated in the first recommendation. There was a lengthy discussion regarding the options including the pro's and cons and the Board agreed to hold elections in June 2020 and have the term dates set as July 1, 2021, July 1, 2022, and July 1, 2023.

A motion was made by Chris Harrison to hold elections for the three elected trustee seats in June of 2020 and have the expiration dates set to July 1, 2021, July 1, 2022, and July 1, 2023. The motion received a second by Jose-Luis Rodriguez and was approved 5-0

OTHER BUSINESS

NATHANIEL WATSON PENSION: Mr. Lovingood informed the Board that The Resource Centers had been contacted by Myrtis Watson Parker, the sister of

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Nathaniel Watson inquiring how her brother would obtain his pension back on May 15, 2019. Mrs. Parker provided a Power of Attorney and stated that her brother is currently incarcerated. Mr. Lovingood stated that he had no historical records for Mr. Watson. Jennifer Chripczuk was able to find some employment history on Mr. Watson and was able to determine that he was employed by the city from 1974 to October of 1984. Ms. Chripczuk found that Mr. Watson was terminated by the city and was issued a refund of contributions, however he was reemployed by the city and required to pay back the refund of contributions back into the Pension Plan. There are very limited records from that time period and Ms. Chripczuk has requested several boxes from the city archives to locate any additional information. Mr. Lovingood informed the Board that when the Plan was closed, the city purchased two AIG Annuities for retirees and vested differed members in the Plan. Mr. Lovingood informed the Board that he found a list with all the members' names associated with the purchase of the two AIG Annuities and Mr. Watson's Names was not found. For The Resource Centers' to move forward, it needs to be determined if Mr. Watson took a refund of contributions or if his contributions are still in the Pension Plan. If it is determined that he did not take a refund of contributions, then The Resource Centers' needs to obtain Mr. Watson's historical pay history in order to calculate his Pension Benefit. The Board discussed the situation in detail and concluded that they would prefer proof that there was no refund of contributions before issuing any Pension benefit payment to Mr. Watson. Leon Pinder stated the he thinks that there may be a provision in the ordinance regarding forfeiture of one's pension if certain laws are violated and requested that the version of the ordinance from the 1974 through 1984 be reviewed.

ADJOURN

There being no other business, and the next regular meeting having been scheduled for February 25, 2020 at 2:30 P.M., the meeting was adjourned at 2:40 P.M.

Jose-Luis Rodriguez, Secretary