

BOARD OF TRUSTEES  
Division of Public Works Retirement System  
Meeting Minutes  
April 30, 2019

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:32 a.m. on Tuesday, April 30, 2019, in the Large Conference Room located at 9 Riverside Street. This was an informational meeting only since there was not a quorum of Trustees present.

**Trustees Present:** Ben Bausha, Employee Member

**Trustees Absent:** Frank Anderson, Mayoral Appointee  
Kathie Berube, Employee Member  
Michael O'Brien, Aldermanic Liaison  
Frank Teas, BPW Commissioner

**Others in Attendance:** David Fredette, City Treasurer  
Derek Danielson, Asst. City Treasurer  
Enrique Jaen, RBC Wealth Management  
Eric Stubbs, RBC Wealth Management  
Mary Woods, Admin. Assistant

**Expected Visitors:**

Mr. Eric Stubbs from RBC Wealth Management gave a Portfolio Review for the period ending March 31, 2019. He started with a formal summary which showed that as of March 31<sup>st</sup> the overall account was up (3/4 of the total year) 3.72%. Mr. Stubbs explained that it does show however, that we are down on an equity standpoint. What happened from an equity standpoint was that there was a drop of 17% at the end of 2018 but it was recovered the first quarter of 2019. Mr. Stubbs mentioned that at the end of 2018 it was the 14<sup>th</sup> worst quarter for equity in the last 92 years (including the great depression). They are not sure why. Chances were that it would come back and it did. Since then the market has gotten better so that as of last Friday it is up 6.25% so chances are that we will be close to the 7% at the end of the fiscal year. He explained that the trade agreement with China will make a difference but the biggest negative is that the NAFTA is close to dead right now. The issue in the US Congress is that they want more protection for the Mexican workers right now in the treaty. His explanation for this was that it puts American workers at a competitive disadvantage if you can pay Mexican workers \$15/day.

Mr. Fredette asked a question about the S&P 500 percentage of 5.86% and Mr. Stubbs replied that it is only there as a benchmark. The actual holdings are about half

the S&P but you do have some International which had zero or negative performance. Bond side as shown on Page 9 & 10 has done well. Trustee Bausha asked if they saw a downfall in the next 9-10 months. Mr. Stubbs replied that it is less likely now that if he had asked that question 3-4 months ago. He believes we are getting good reports but things can change. He said they are always watchful for a recession.

Mr. Danielson asked what the consensus was on the FED hiking the interest rates. Mr. Stubbs replied that most people think they are done raising the rates this year. Mr. Danielson also asked if the Federal Fund is OK where we are. Mr. Stubbs replied that it is at a healthy rate. Mr. Fredette asked if they had supplied the Investment Policy that Trustee Anderson wanted and Mr. Stubbs replied that he did. Mr. Stubbs also said that they went through it and didn't see anything that warranted change. Mr. Jaen mentioned that the signature page seems to be outdated which was confirmed by Mr. Fredette. Mr. Fredette wanted to make sure they were aware that they knew we were going to a new Pension S/W in the upcoming Fiscal Year. Mr. Stubbs also mentioned that they will be updating their contracts but it doesn't change anything. It basically just allows them to do more on verbal consent so we don't have to write all our instructions. Mr. Stubbs suggested that the board have them back at the end of the Fiscal Year.

### **Discussion**

This was an informational meeting only since there was not a quorum of Trustees.

The resignation and retirements on this agenda will be sent via email to the Trustees and then ratified at the next meeting.

Trustee Bausha asked if we had gotten many phone calls about the upcoming changes to the pension system and Mr. Danielson said no. He said there were only about nine or ten calls and it was mostly about the fact that they system was changing to a monthly check instead of weekly checks and that you could only have one bank account assigned.

The payment for Hooker & Holcombe's \$500 invoice to finish the report will also be put on next month's agenda as well as the Distribution of Funds.

Mr. Fredette thought maybe the board should discuss changing the time of this meeting to accommodate the Trustees better.

Next meeting is set for May 21, 2019.

*Minutes Transcribed by: Mary Woods*