

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD VIA VIDEO CONFERENCE ON
TUESDAY AUGUST 1, 2023, at 11:30 AM**

I. ROLL CALL: 11:38 AM

A. Employees' Retirement Board:

Evanna Stephenson called the meeting to order for the Employees' Retirement System Board at 11:38 AM.

The General Employees' Pension Fund did not have a physical quorum and was converted into a Workshop.

Those persons present included:

Trustees:	Evanna Stephenson, Chair - Zoom	Others:	Scott Baur & Albert Lovingood (Resource Centers)
	Mayor Betty Resch		Madison Levine, Attorney (Sugarman & Susskind)
	Yannick Ngendahayo – Joined 11:53		Brad Hess, Consultant (AndCo)

B. Police Retirement Board:

Charles Ferry called the meeting to order for the Police Officers Retirement System Board at 11:38 AM.

Those persons present included:

Trustees:	Charles Ferry, Secretary	Others:	Albert Lovingood (Resource Centers)
	Lonney Moral		Madison Levine, Attorney (Sugarman & Susskind)
	Mayro Betty Resch		Brad Hess, Consultant (AndCo)
	Yannick Ngendahayo – Joined 11:53		

II. PLEDGE OF ALLEGIANCE

All in attendance said the Pledge of Allegiance.

III. EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All trustees attending were physically present at the Board Meeting.

IV. PUBLIC COMMENT

No members of the public had any comment.

V. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Board:

The Boards made no changes to the agenda.

Action: Charles Ferry made a motion to accept the Police Officers' Meeting Agenda as presented. The motion received a second from Mayor Betty Resch.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

VI. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Board:

VII. NEW BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

1. Investment Consultant: Quarterly Performance Report

Brad Hess presented the Lake Worth Beach General Employees' Pension Fund Quarterly Performance Report Dated June 30, 2023. Mr. Hess started his presentation by reviewing the market environment for the quarter, noting the GDP growth for the year along with the expectation that the Federal Reserve will issue one more rate increase. The Consumer Price Index is currently at 3% and it is expected that the Federal Reserve will start to lower interest rates in 2024. The major market index performances for the quarter were reviewed in detail with the Board of Trustees. Mr. Hess noted that the weak performances in the US equity markets, and international markets are starting to roll off, resulting in more positive returns. Mr. Hess then reviewed the Plans asset allocations and did not make any recommendations to rebalance the Police Officers' Pension Fund; however, the General Employees' Fund will need to rebalance. The financial reconciliations for both Plans were reviewed in detail with both Boards. As of June 30, 2023, The Lake Worth Beach General Employees Pension Fund ended the quarter with \$74,515,347, and The Lake Worth Beach Police Officers Pension Fund ended the quarter with \$41,771,497. Mr. Hess then reported that the Lake Worth Beach General Employees' Pension Fund had a net return of 2.67% for the quarter compared to the benchmark rate of 4.07%. The trailing one-year return was 7.62% compared to the benchmark rate of 10.34%, and the five-year trailing returns were 6.73% compared to the benchmark rate of 7.62%. The Lake Worth Beach Police Officers' Pension Fund had a net return of 2.82% compared to the benchmark rate of 4.07%, the one-year trailing returns were 7.32%, beating the benchmark rate of 10.34%, and the five-year trailing returns were 6.52% compared to the benchmark rate of 7.62%. The individual Investments were reviewed in detail with both Board with Mr. Hess pointing out there has been a decrease in equities and an increase in fixed. For Fiscal-Year-To-Date, The General Employees Plan has total returns at 12.32% and the Police Officers Plan had total returns at 11.94%, noting that the investment managers did well overall. For the Police Officers Pension Fund, Mr. Hess make the recommendation of switching the Alger Capital Appreciation Fund Z (ACAZX) with the fees at 0.85% to the Alger Capital Appreciation Fund Y (ACAYX) with fees totaling 0.83%.

Action: Lonney Moral made a motion based on the recommendation of the Investment Monitor to liquidate all of the Alger Capital Appreciation Fund X (ACAZX) shares and use those funds to purchase the Alger Capital Appreciation Fund Y (ACAYX). The motion received a second from Mayor Resch.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Mr. Hess then reviewed each manager in detail with both Boards, noting that Real Estate has had weakness in the office space sector; however, the long-term outlook return expectation of 10-15% is appropriate. Mr. Hess concluded his presentation by answering various market questions by the Board Members.

2. Investment Policy Statement

Mr. Hess presented both Boards with an updated Investment Policy Statement for review and approval. Mr. Hess informed the Boards that the updated Investment Policy Statement includes several changes to comply with the recently passed House Bill 3. Mr. Hess reviewed the changes in detail with the Trustees, noting the

reporting requirements that have been added along with the Plan only utilizing pecuniary reasons for investment choices and noted that this update has no effect on the Plan's Investments. Mr. Hess concluded his review of the new Investment Policy Statements by informing the Boards that we still have no idea of what the comprehensive report will look like or what information it will need to have listed.

Action: Lonney Moral made a motion based on the recommendation of the Investment Monitor to approve the presented Investment Policy Statement as Presented. The motion received a second from Mayor Resch.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

D. Board Attorney's Report:

1. Attorney Report – Madison Levine, Sugarman & Susskind

Attorney Madison Levine reviewed the recently passed House Bill 3, which limits the Boards to consider only pecuniary factors when investing Plan assets in detail with both Boards. Ms. Levine reminded the Board that a comprehensive and detailed report will need to be filed with the State of Florida no later than December 15, 2023; however, the State has not defined the new reporting requirements.

E. ADMINISTRATOR REPORT:

1. Form 1 – Submission Confirmation

Mr. Baur reported that all of the Trustees for both Pension Plans have submitted their annual Form 1.

2. Webserver Enhancements

Mr. Lovingood reported to the Board that his firm made several webserver enhancements to make the secure file exchange and Plan Websites more robust and secure.

3. Lake Worth Beach Police – Annual Filing

Mr. Baur informed the Lake Worth Beach Police Officers' Pension Fund Board of Trustees that the State of Florida has accepted the Plan's Annual Filing.

4. KSDT Audit Engagement Letter (General and Police

Mr. Lovingood and Mr. Baur presented both Pension Plans the 2023 KSDT Audit Engagement Letter. The costs for the annual audit were discussed and compared to the previous year's Audit engagement Letter.

Action: Lonney Moral made a motion to approve the 2023 KSDT Audit Engagement Letter as presented. The motion received a second from Mayor Resch.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

VII. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Warrants for Accounts Payable: June 6, 2023**
- 2. Warrants for Accounts Payable: August 1, 2023**
- 3. Benefit Approvals: August 1, 2023**
- 4. Interim Financial Statements: June 30, 2023**

General Employees' Pension Plan Board was unable to vote due to lack of quorum.

B. Police Retirement Board:

- 1. Warrants for Accounts Payable: August 1, 2023**
- 2. Interim Financial Statements: June 30, 2023**

Action: Lonney Moral made a motion to approve the Consent Agenda for the Lake Worth Beach Police Officers' Pension Plan as presented. The motion received a second from Mayor Resch.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

C. Employees' and Police Retirement Board

1. Quarterly Joint Board Meeting Minutes: May 2, 2023

General Employees' Pension Plan Board was unable to vote due to lack of quorum.

Action: Lonney Moral made a motion on behalf of the Police Officers' Pension Fund to approve the Joint Quarterly Board Meeting Minutes Dated May 2, 2023, as amended. The motion received a second from Mayor Resch.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

VIII. PUBLIC COMMENTS:

No members of the public had any comment for the Boards.

IX. ADJOURNMENT:

There being no further business, the meeting workshop for the Employees Retirement System ended at 12:33 PM and the Quarterly Board Meeting for the Police Officers' Retirement System ended at 21:33 PM.

Action: Mayor Resch made a motion to for the Lake Worth Beach Police Officers' Pension Plan Board Meeting to Adjourn at 12:33 PM. The motion received a second from Lonney Moral.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.



Evanna Stephenson, Chair Employees' Retirement Board



Christopher Johnson, Chair Police Officers' Retirement Board