

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD VIA VIDEO CONFERENCE ON  
TUESDAY AUGUST 6, 2024, at 11:30 AM**

**I. ROLL CALL: ..... 11:41 AM**

**A. Employees' Retirement Board:**

Evanna Stephenson called the meetings to order for the Employees' Retirement System Board at 11:41 AM.

Those persons present included:

Trustees:	Evanna Stephenson, Chair	Others:	Albert Lovingood (Resource Centers)
	Eusebio Morales		Madison Levine, Attorney (Sugarman & Susskind)
	Mayor Betty Resch		Brad Hess, Consultant (Mariner)
	Yannick Ngendahayo		

**B. Police Retirement Board:**

Christopher Johnson called the meeting to order for the Police Officers Retirement System Board at 11:41 AM.

Those persons present included:

Trustees:	Christopher Johnson	Albert Lovingood (Resource Centers)
	Lonney Moral Joined 11:50	Madison Levine, Attorney (Sugarman & Susskind)
	Mayor Betty Resch	Brad Hess, Consultant (Mariner)
	Yannick Ngendahayo	

**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: Eusebio Morales made a motion to accept the General Employees' Meeting Agenda as presented. The motion received a second from Yannick Ngendahayo.

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

Action: Yannick Ngendahayo 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:**

**VI. 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 and Lake Worth Beach Police Officers' Pension Fund Quarterly Performance Reports Dated June 30, 2024, and reported the following: For the second quarter there were mixed results across financial markets. The US Federal Reserve maintained stable interest rates during the quarter, leading to moderate optimism about potential rate cuts later in the year. However, uncertainties remain, especially around inflation and employment trends. Large-cap US equities outperformed small-cap stocks, with the S&P 500 rising by 4.3%. International markets were generally positive, but returns were dampened by a stronger US dollar, which affected performance across most regions.

Fixed-income markets showed limited movement, with the Bloomberg US Aggregate Bond Index posting a marginal return of 0.1%. High-yield bonds benefited from higher yields, making them a better-performing segment. Sector-wise, information technology, communication services, and utilities led the way in the second quarter, while small-cap sectors, particularly materials, experienced declines. The top stocks in large-cap indices, Microsoft, Apple, and NVIDIA, all demonstrated strong returns, while select small-cap stocks like Carvana and e.l.f. Beauty also performed well. International emerging markets saw notable gains from China, Taiwan, and Singapore, while Latin American markets faced challenges due to global demand uncertainties. Overall, the quarter saw a divergence between growth in large-cap stocks and struggles in smaller segments, with global performance heavily influenced by currency fluctuations.

The Lake Worth Beach General Employees' Pension Fund had a total fund value of \$78,276,599 on June 30, 2024, which is down from the March 31, 2024. Mr. Hess reviewed the Plan's Asset Allocations and Compliance in detail with the Board, noting that he does not see a need to rebalance the Fund at this time. For the Quarter ending June 30, 2024, the Plan earned a net -0.10%, which trailed the benchmark rate of 1.70%. The Fiscal-Year-To-Date returns were a net 11.95%, compared to the benchmark rate of 15.75%. The Three-Year Trailing Returns were a net 1.38%, which trailed behind the benchmark rate of 3.69%. The Five-Year net returns were 6.87%, compared to the benchmark rate of 8.62%, and since inception, the Plan has earned a net 7.92%, trailing the benchmark rate of 8.44%.

The Lake Worth Beach Police Officers' Pension Fund had a total fund value of \$46,032,034, which is down from the \$47,415,789 starting Fund Balance at the close of March 31, 2024. Mr. Hess reviewed the Plan's Asset Allocations and Compliance in detail with the Board, noting that he does not see a need to rebalance the Fund at this time. For the Quarter ending June 30, 2024, the Plan earned a net 0.25%, compared to the benchmark rate of 1.62%. The Fiscal-Year-To-Date returns were a net 12.70%, compared to the benchmark rate of 14.88%. The Three-Year Trailing Returns were a net 3.45%, which trailed behind the benchmark rate of 3.98%. The Five-Year net returns were 6.87%, compared to the benchmark rate of 8.74%, and since inception, the Plan has earned a net 7.67%, trailing the benchmark rate of 8.40%.

Mr. Hess then reviewed the performance of each of the Plans Investment Managers, noting that both Domestic and International Equities have done very well when looking at the Fiscal-Year-to-Date Returns. Real Estate

investments are still negative; however, Mr. Hess noted that they will improve. Both Plans' asset allocations were reviewed with Mr. Hess stating that he did not see the need to rebalance either Plan at this time.

Mr. Hess presented the Police Officers' Pension Board with an updated Investment Policy Statement and reviewed the changes that were made in detail

Action: Yannick Ngendahayo made a motion to accept the Mariner Quarterly Investment Report Dated June 30, 2024, as presented. The motion received a second from Mayor Betty Resch.

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

Action: Yannick Ngendahayo made a motion to accept the Mariner Quarterly Investment Report Dated June 30, 2024, as presented. The motion received a second from Mayor Betty Resch.

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

Action: Lonney Moral made a motion to approve the updated Investment Policy Statement for the Lake Worth Beach Police Officers' Pension Fund. The motion received a second from Christopher Johnson.

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

#### **D. BOARD ATTORNEY REPORT:**

##### **1. Legal Updates**

Madison Levine provided the Board of Trustees with a legal update on several pending bills that, if passed, will have an affect on the Pension Plans. Should these proposed bills pass, Ms. Levine stated that she would provide the Board with an update.

##### **2. Summary Plan Descriptions**

Ms. Levine informed both Pension Plan Boards that she will have updated Summary Plan Descriptions at the next Quarterly Board Meeting for review and approval. Ms. Levine reminded the Boards that the Summary Plan Description needs to be updated every 2-3 years.

##### **3. 401(a) Participation Elections**

Ms. Levine presented the Board with a summary of recommendations made by the City's Legal Counsel, Carolyn M. Kershner regarding the One-Time Irrevocable Election Forms for those participants who have a choice in being in the Pension Plan or 401(a) Plan. The recommendation was for the Pension Plan to follow up with the city to obtain remedial documentation for those employees that the Plan does not have an election form for. Ms. Levine, the Plan Attorney, and Plan Administrator had a detailed discussion on the matter and the historical process that the Plan has received these forms.

#### **E. ADMINISTRATOR REPORT:**

##### **1. Lake Worth Beach Police Administrative Expense Report and 2025 Expense Budget**

Plan Administrator Albert Lovingood presented the Police Officers' Pension Board the Administrative Expense Report and 2025 proposed Expense Budget. Mr. Lovingood reviewed the proposed budget in detail with the Trustees, noting that the Plan will only spend what is necessary to run the Plan and that the proposed budget allocations are designed with enough cushion so that the Plan will not need to make any adjustments mid-year.

Action: Yannick Ngendahayo made a motion on behalf of the Police Officers' Pension fund to approve the 2025 Expense Budget, as presented. The motion received a second from Mayor Betty Resch.

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

## **2. Longevity Pay Update**

Mr. Lovingood provided the General Employees' Pension Board of Trustees with an update regarding the Longevity Pay reporting issue. Mr. Lovingood stated that the City is reporting the longevity pay as pensionable in the payroll files that his office is receiving and that Mr. Lovingood now has a list of all longevity payments made in the past ten years for those participants that are in the Pension Plan.

## **3. Audit Engagement Letters**

Mr. Lovingood provided both the General Employees Pension and Lake Worth Beach Police Pension Fund Boards the 2024 Audit Engagement Letters provided by the Plan Auditor for review and signature. Both Boards reviewed the letters and Attorney Madison Levine confirmed that she has no objections to the signing of these engagement letters.

Action: Yannick Ngendahayo made a motion on behalf of the General Employees' Pension Fund to approve the KSDT 2024 Audit Engagement Letter, as presented. The motion received a second from Mayor Betty Resch.

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

Action: Yannick Ngendahayo made a motion on behalf of the Police Officers' Pension Fund to approve the KSDT 2024 Audit Engagement Letter, as presented. The motion received a second from Lonney Moral.

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

## **4. 2025 Proposed Board Meeting Dates**

Mr. Lovingood provided the Boards with the 2025 Proposed Board Meeting Dates. The dates provided follow both Plan's historical Board Meeting Schedule with Mr. Lovingood reminding the Trustees that the Lake Worth Beach General Employee Board Meeting Dates set between the Quarterly Board Meeting Dates will be used as needed.

## **VII. CONSENT AGENDA:**

### **A. Employees' Retirement Board:**

5. Warrants for Accounts Payable: June 4, 2024
6. Warrants for Accounts Payable: August 6, 2024
7. Benefit Approvals: August 6, 2024
8. Interim Financial Statements: June 30, 2024

### **B. Police Retirement Board:**

1. Warrants for Accounts Payable: August 6, 2024
2. Interim Financial Statements: June 30, 2024

### **C. Employees' and Police Retirement Board**

1. Quarterly Joint Board Meeting Minutes: February 6, 2024

Action: Eusebio Morales made a motion on behalf of the General Employees' Pension Fund to approve the Consent Agenda, as presented. The motion received a second from Yannick Ngendahayo.

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

Action: Lonney Moral made a motion on behalf of the Police Officers' Pension Fund to approve the Consent Agenda, as presented. The motion received a second from Yannick Ngendahayo.

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

**VIII. PUBLIC COMMENTS:**

No members of the public had any comment for either Board.

**IX. ADJOURNMENT:**

There being no further business, both Board Meetings ended at 12:32 PM.

Action: Eusebio Morales made a motion for the Lake Worth Beach General Employees' Pension Plan Board Meeting to Adjourn at 12:32 PM. The motion received a second from Yannick Ngendahayo.

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

Action: Lonney Moral made a motion to for the Lake Worth Beach Police Officers' Pension Plan Board Meeting to Adjourn at 12:32 PM. The motion received a second from Yannick Ngendahayo.

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

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Evanna Stephenson, Chair Employees' Retirement Board

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Christopher Johnson, Chair Police Officers' Retirement Board