

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD VIA VIDEO CONFERENCE ON  
TUESDAY MAY 3, 2022, at 11:30 AM**

**I. ROLL CALL: ..... 11:32 AM**

**A. Employees' Retirement Board:**

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

Those persons present included:

Trustees: Evanna Stephenson, Chair  
Bruce Miller  
Mayor Betty Resch  
Eusebio Morales  
Richard Collier

Others: Scott Baur and Albert Lovingood (Resource Centers)  
Ken Harrison and Madison Levine, Attorneys (Sugarman &  
Susskind)  
Brad Hess, Consultant (AndCo)  
Nicholas Lahaye, Actuary (GRS)

**B. Police Retirement Board:**

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

Those persons present included:

Trustees: Christopher Johnson  
Charles Ferry  
Mayor Betty Resch

**II. PLEDGE OF ALLEGIANCE**

All in attendance said the Pledge of Allegiance.

**III. EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY**

All trustees 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: Bruce Miller made a motion to accept the Meeting Agenda as presented. The motion received a second from Mayor Betty Resch.

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

Action: Charles Ferry made a motion to accept the 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. Actuarial Impact Statement – Plan Changes for IBEW Effective April 1, 2022**

Mr. Baur reviewed the Actuarial Impact Statement and Plan Changes for the IBEW Members effective April 1, 2022. Mr. Baur also reviewed the submissions of the One-Time Irrevocable Option to Participate in the Cash Balance Plan.

**2. October 1, 2021 Actuarial Valuation Report – Nicholas Lahaye, GRS**

Mr. Lahaye appeared before the Board to present the Actuarial Valuation Report as of October 1, 2021. Mr. Lahaye reviewed contribution requirements for FY2023. He noted the City's total contributions increased to \$3,668,163 from \$3,626,864. The assumed investment return has been reduced by 0.15% from 6.85% to 6.70% and the assumption will be reduced by 0.15% per year until a target of 6.50% is reached. He reported this assumption change increased the required contribution by \$85,138. Mr. Lahaye reported that there was a net actuarial experience gain of \$329,569 for the year which means that actual experience was more favorable than expected. The gain is primarily due to a higher-than-expected recognized return on the actuarial value of assets was 7.60% against an assumed rate of return of 6.85%. The gross return on the market value of assets during the year was 16.9%. Mr. Lahaye reported there is no COLA payable on June 1, 2022 due to the Plan has a cumulative experience loss. He further reported the funded ratio was 66.40% this year versus 61.9% last year. Mr. Lahaye concluded his presentation by reviewing the liabilities, assumptions for valuation, and asset smoothing, along with the Plan's history and funding process, noting that the assets are gradually catching up to liabilities.

Action: Charles Ferry made a motion to accept the Lake Worth Beach Police Officers' Pension Fund Actuarial Valuation Report Dated October 1, 2021 as presented. The motion received a second from Mayor Betty Resch.

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

Action: Charles Ferry made a motion that the Board expects to receive a 6.70% Assumed Rate of Return for the next year, next several years, and for the long-term thereafter. The motion received a second from Mayor Betty Resch.

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

**3. Investment Consultant: Quarterly Performance Report**

Mr. Hess presented the Lake Worth Beach General Employees' Pension Fund Quarterly Performance Report Dated March 31, 2022. Mr. Hess started his presentation by reviewing the markets as of March 31, 2022 with the Board, noting that the quarter continued to post losses due to the war in Ukraine, China's aggressive COVID-19 shutdowns, along with the anticipated interest rate increases from the Federal Reserve. Assets

decreased down to \$80,002,414 for the General Employees' Pension Plan. For the quarter ending March 31, 2022, the Plan earned -4.79% net of fees, outperforming the benchmark rate of -4.12%, and the Plan ranked in the top 53% of its peers and the Fiscal-Year-To-Date net return, the Plan earned -0.62% net of fees, compared to the benchmark rate of 1.34%, and the Plan ranked in the top 48% of its peers. Mr. Hess then reviewed the asset allocations in detail with the Board.

For the Police Officers' Pension Plan the assets decreased down to \$40,064,497. For the quarter ending March 31, 2022, the Plan earned -4.81% net of fees, outperforming the benchmark rate of -4.12%, and the Plan ranked in the top 54% of its peers and the Fiscal-Year-To-Date net return, the Plan earned -0.94% net of fees, compared to the benchmark rate of 1.34%, and the Plan ranked in the top 61% of its peers. Mr. Hess then reviewed the asset allocations in detail with the Board.

Mr. Hess then reviewed the current asset allocation for each Plan which remains in line with the policy target. Mr. Hess stated that he has no rebalance recommendations at this time other than to further diversify the international equity allocation. Mr. Hess then presented the Boards with the results for an international equity value manager to complement the EuroPacific Growth Fund R6. The alternatives were reviewed and vetted by the AndCo research team. The alternative managers presented have below average fees with strong long-term track records. Apart from the TSW portfolio, all the managers use a team approach to managing the assets. Some hedge currencies, some have very low turnover in the portfolio holdings. Mr. Hess then recommended the Dodge & Cox International Stock Mutual Fund based on their low expenses, consistency, and long-term results. Mr. Hess recommended moving half of the EuroPacific Growth Fund R6 assets for diversification into the Dodge & Cox International Stock Mutual Fund.

Action: Eusebio Morales made a motion base on the recommendation of the Investment Monitor to sell 50% of the EuroPacific Growth Fund R6 and allocate those funds to the Dodge & Cox International Stock Mutual Fund. The motion received a second from Mayor Betty Resch.

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

Action: Charles Ferry made a motion base on the recommendation of the Investment Monitor to sell 50% of the EuroPacific Growth Fund R6 and allocate those funds to the Dodge & Cox International Stock Mutual Fund. The motion received a second from Mayor Betty Resch.

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

#### **D. Board Attorney's Report:**

##### **Attorney Report – Ken Harrison, Sugarman & Susskind**

Attorney Ken Harrison introduced Madison Levine to both Boards and noted that Ms. Levine will be assisting him with both Pension Plans. Mr. Harrison then informed both Boards that nothing has changed during the recently ended legislative session.

Mr. Harrison welcomed Eusebio Morales to the General Employees' Pension Board and informed Mr. Morales of the initial Form 1 that he needs to file with the County Supervisor of Elections.

Mr. Harrison reviewed the FPPTA Convention and Trustee School Opportunities in detail with the Trustees.

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

##### **1. Resource Centers Memo – Office Lease Rollover Example**

Scott Baur presented the Board with a Memo regarding office lease rollovers as it has been a continuous discussion with the Boards who have Real Estate investments. Mr. Baur informed the Board that his firm is eliminating approximately one-third of the office space that is currently being used. Mr. Baur explained that that way the Administrators work within the company has changed for the long-term and the upcoming lease renewal was an opportune moment to jettison the unused space and create a "Hotel Office Space" for the Plan Administrators when they need to come into the office to meet with members and prepare for Board Meetings.

**2. Resource Centers Memo – PBI CertiDeath Service**

Mr. Baur presented both Boards with a memo regarding a new PBI CertiDeath Service that The Resource Centers will start utilizing in the coming weeks. Mr. Baur informed the Boards that the current PBI Death Search Service that his firm is using is not as detailed and accurate as the new PBI CertiDeath Service. Mr. Baur reviewed the key differences along with the cost differences, noting that the new PBI CertiDeath Service is less expensive than the Annual Income Verification Letters that were sent out last year.

**3. IBEW Pension Election Update**

Mr. Baur reviewed the submissions of the One-Time Irrevocable Option to Participate in the Cash Balance Plan.

**4. FY2021 Administrative Expense and FY2023 Budget for Police Pension**

Mr. Baur presented the Police Officers' Pension Board with the FY2021 Administrative Expense and FY2023 Budget. Mr. Baur reviewed the previous year's expenses and reviewed the projected budget for FY2022 along with assumed annual increases.

Action: Charles Ferry made a motion to approve the FY2022 Administrative Expense and FY2023 Budget as presented. The motion received a second from Mayor Betty Resch.

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

**5. Authorized Signers**

Mr. Lovingood informed the Board that he has updated Signature Authorization Forms for the Trustees to sign.

**VII. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

1. Warrants for Accounts Payable: May 3, 2022
2. Warrants for Accounts Payable: March 1, 2022
3. Benefit Approvals: May 3, 2022
4. Benefit Approvals: March 1, 2022
5. Interim Financial Statements: March 31, 2022

Action: Bruce Miller made a motion to approve the Consent Agenda for the Lake Worth Beach General Employees' Pension Plan as presented. The motion received a second from Mayor Betty Resch.

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

**B. Police Retirement Board:**

1. Warrants for Accounts Payable: May 3, 2022
2. Benefit Approvals: May 3, 2022
3. Interim Financial Statements: March 31, 2022

Action: Charles Ferry 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 Betty Resch.

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

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

- a. Quarterly Joint Board Meeting Minutes: February 1, 2022

Action: Eusebio Morales made a motion on behalf of the General Employees' Pension Fund to approve the Joint

Quarterly Board Meeting Minutes Dated February 2, 2022 as presented. The motion received a second from Mayor Betty Resch.

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

Action: Charles Ferry made a motion on behalf of the Police Officers' Pension Fund to approve the Joint Quarterly Board Meeting Minutes Dated November 2, 2021 as amended. The motion received a second from Mayor Betty 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 12:56 PM.

Action: Eusebio Morales made a motion for the Lake Worth Beach General Employees' Pension Plan Board Meeting to Adjourn at 1:06PM. The motion received a second from Mayor Betty Resch.

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

Action: Charles Ferry made a motion to for the Lake Worth Beach Police Officers' Pension Plan Board Meeting to Adjourn at 1:06PM. The motion received a second from Mayor Betty Resch.

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

---

Evanna Stephenson, Chair Employees' Retirement Board

---

Christopher Johnson, Chair Police Officers' Retirement Board