

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
February 6, 2024

A meeting was called to order at 2:02 P.M. at Village Hall in Palm Springs, Florida.
Those persons present were:

TRUSTEES

Jane Worth
Ed Horton
Kimberly Glas-Castro
Bev Smith (2:11 P.M.)
Bruce Gosman

OTHERS

Bonni Jensen, Fund Counsel
Margie Adcock, Administrator
Jennifer Gainfort, Monitor
Chad Little, Actuary

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting held November 7, 2023. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held November 7, 2023.

INVESTMENT MONITOR REPORT

Jennifer Gainfort appeared before the Board. She discussed a firm announcement involving the merger of AndCo with Mariner. She stated that AndCo was being acquired by Mariner. She stated that Mariner is a strategic partner, and they do business in all 50 states. They are a well-resourced firm. Mariner is acquiring everyone at AndCo except for one marketing person, who was offered a job but at a demotion. There are no changes to the services currently offered by AndCo or to the service team. The target date for the merger is April 2, 2024. She stated that the only noticeable change would be to their name. She stated that they are required to notify the Board of such transactions and ask for consent due to SEC regulations. There was a lengthy discussion. Ms. Jensen stated that they were still working with AndCo on the Consent for Assignment. A motion was made, seconded and carried 4-0 to authorize the Chair to sign the Consent for Assignment of Investment Advisory Agreement once it has been finalized.

Ms. Gainfort reported on the performance for the quarter ending December 31, 2023. She reviewed the market environment for the period ending December 31, 2023. She stated that it was a great start to the fiscal year. She stated that 2023 was a very good year for stocks, which was not really projected. A recession did not happen in 2023 but that does not necessarily mean that the market is in the clear yet. She stated that the Fed started raising interest rates in March 2022. Historically a recession is about two years after interest rate hikes start. She stated that the markets might see some sort of slowdown. The

Fed is expected to cut rates by 75 basis points this year. Ms. Gainfort stated that everything was positive for the quarter and the year.

Bev Smith entered the meeting.

Ms. Gainfort reported on the performance of the Fund for the quarter ending December 31, 2023. The total market value of the Fund as of December 31, 2023 was \$33,121,487. The asset allocation was 52.8% in domestic equities; 8.2% in international; 22.0% in domestic fixed income; 4.0% in global fixed income; 9.0% in real estate; and 4.1% in cash. The total portfolio was up 8.34% net of fees for the quarter ending December 31, 2023 while the benchmark was up 8.05%. The total equity portfolio was up 11.08% for the quarter while the benchmark was up 11.69%. The total domestic equity portfolio was up 11.51% for the quarter while the benchmark was up 12.07%. The total international portfolio was up 8.38% for the quarter while the benchmark was up 9.82%. The total fixed income portfolio was up 7.06% for the quarter while the benchmark was up 5.86%. The total domestic fixed income portfolio was up 6.93% for the quarter while the benchmark was up 5.50%. The total global fixed income portfolio was up 7.79% for the quarter while the benchmark was up 7.32%. The total real estate portfolio was down 2.35% while the benchmark was down 5.38%.

Ms. Gainfort reviewed the performance of the managers. The Vanguard Value Fund was up 8.98% while the Russell 1000 Value was up 9.50%. MFS Growth Fund was up 12.85% while the Russell 1000 Growth was up 14.16%. The Vanguard Mid Cap portfolio was up 12.27% for the quarter while the Russell Mid Cap was up 12.82%. The Vanguard Total Stock portfolio was up 12.16% for the quarter while the Russell 3000 was up 12.07%. The Garcia Hamilton Fixed Income portfolio was up 6.93% for the quarter while the benchmark was up 5.50%. The EuroPacific Growth portfolio was up 10.37% for the quarter while the benchmark was up 9.82%. The Dimensional Fund Advisors portfolio was up 6.48% for the quarter while the benchmark was up 8.28%. The Principal portfolio was down 2.35% for the quarter while the benchmark was down 5.38%. Ms. Gainfort stated that Principal held up really well compared to the Index. They held their own in a difficult market. She hopes to see some pick up in transactions as rates come down. She thinks there will start to be some recovery in real estate. Principal was underweight to office which helped. The PIMCO Diversified Fund was up 7.79% for the quarter while the benchmark was up 7.32%. Ms. Gainfort stated that the performance of the portfolio was good. She does not think there will be a big recession. She thinks there will be some volatility and slowdown in the market but not a dep recession.

Ms. Gainfort discussed the funding needs of the Village. She stated that the Village has requested \$500,000 in cash flow needs. She stated that the Fund has the cash available at Comerica. A motion was made, seconded and carried 5-0 to transfer \$500,000 from the cash at Comerica for the funding needs of the Village.

The Board was provided with a leadership announcement from Principal dated January 2024. It was noted that the current global head of investments and President and Chairman of Principal Funds will be the new President and CEO of Principal Asset Management. Ms. Gainfort stated that there is no impact on the Principal Real Estate Fund. She stated that the person does not run nor are they a part of the Real Estate Team.

ACTUARY REPORT

Chad Little appeared before the Board. Mr. Little presented the Actuarial Valuation as of October 1, 2023. He noted that the Valuation sets forth the contribution requirements for the fiscal year ending September 30, 2025. He stated that the contribution decreased slightly from \$415,951 to \$412,841. He stated that the Valuation reflects an assumed investment return of 6.0%. The funded ratio was 110.56%. Mr. Little reviewed the participant data. There was a demographic gain primarily due to the retirement death experience and a terminated vested member who passed away. The net return on the market value of assets was 8.13% and the smoothed asset value was 3.49% compared to the 6% assumed return such that there was an actuarial investment loss. There were no changes in Plan provisions that impacted the Fund.

Mr. Little reviewed the method changes. He reviewed the assessment and disclosure of risk. He reviewed new reporting requirements related to the low-default- risk obligation measure. He reviewed the ratio of benefit payments to contributions. He reviewed the reconciliation of the market value of assets. He reviewed the historical investment returns from September 30, 1995 through September 30, 2023. He reviewed the amortization of the unfunded accrued liability. He reviewed the cash flow derived by asset and the reconciliation of change in the Village minimum required contribution. A motion was made, seconded and carried 5-0 to approve the Actuarial Valuation as of October 1, 2023.

It was noted that the Board needs to formally determine the expected rate of return for the short term and long term, as is required by the State. It was noted that the Board just approved the return of 6.00% in the Valuation. Ms. Gainfort stated that it was reasonable to assume that the assets would return 6.00% over the short term, mid-term and long term. A motion was made, seconded and carried 5-0 to determine the expected rate of return using the rate of 6.00%. Ms. Gainfort stated that she would prepare the letter to be sent to the State.

ATTORNEY REPORT

Ms. Jensen provided a Memorandum regarding the IRS Mileage Rate for 2024 dated January 2024. She noted that effective January 1, 2024 the mileage rate has been increased to 67.0 cents per mile.

Ms. Jensen provided the Board with a Memorandum regarding the 2024 Online Form 1 Filing dated January 2024. She stated that the Trustees are now mandated to file the Form 1 online. She provided the link to the website for them to register online and complete the Form.

ADMINISTRATIVE REPORT

Ms. Adcock presented the Board with the benefit calculations and election approvals for Michael Walsh and Anita Calhoun. A motion was made, seconded and carried 5-0 to approve the benefit calculations and election approvals for Michael Walsh and Anita Calhoun.

Ms. Adcock presented the disbursement list. A motion was made, seconded and carried 5-0 to approve and pay all listed disbursements.

Ms. Adcock reported that the comprehensive report that was required to be filed by House Bill 3 was filed prior to the December 15th deadline.

The Board was provided with certification from the Resource Centers that they successfully completed their SOC 1 Type 2 Audit and received a clean opinion as of September 30, 2023.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Kimberly Glas-Castro
Secretary