

**VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND**  
**MINUTES OF MEETING HELD**  
**June 4, 2024**

A meeting was called to order at 2:07 P.M. at Village Hall in Palm Springs, Florida.  
Those persons present were:

**TRUSTEES**

Jane Worth  
Ed Horton  
Kimberly Glas-Castro  
Bev Smith

**OTHERS**

Bonni Jensen, Fund Counsel  
Margie Adcock, Administrator  
Jennifer Gainfort, Monitor  
Chad Little, Actuary  
Gregory Pittenger, Principal Real Estate  
Jerry Reed, Participant  
Ardeth and Ralph Wiles, Residents

**PUBLIC COMMENTS**

There were no public comments.

**MINUTES**

The Board reviewed the minutes of the meeting held February 6, 2024. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held February 6, 2024.

**INVESTMENT MANAGER REPORT – PRINCIPAL**

Gregory Pittenger appeared before the Board. Mr. Pittenger provided a brief introduction. He stated that he is the institutional sales and relationship manager. He provided a brief overview of the firm. He noted that they have a long tenured team with 320 real estate professionals. They have \$98.1 billion in assets under management, with \$48.9 billion in private real estate. The total market value of the Fund's portfolio as of April 30, 2024 was \$2,923,045.

Mr. Pittenger discussed the US Property Account. He stated that it is a core real estate investment strategy. They focus on income stability and growth over multiple market cycles. He reviewed the account profile. They have 150 investments across the US and are 26.0% leveraged. The occupancy rate is 93.1%. The contribution queue balance is \$612 million. The withdrawal limitation balance is \$1.4 billion. Mr. Pittenger reviewed the 2024 strategic themes. He reviewed their investment strategy; discussed how they monitor and mitigate risk; and discussed their operations.

Mr. Pittenger discussed the diversification of the portfolio. The asset allocation by region is 25% in the South; 49% in the West; 22% in the East; and 4% in the Mid-West. He noted that they were overweight in the South and West. He discussed their four main

areas of investments. With respect to industrial, they are 98% leased with a 35% weighting versus the 33% weighting of the benchmark. With respect to residential, they are overweight at 34% versus the benchmark at 29%. This is the largest overweight in the portfolio. With respect to office, they have continued to reduce their allocation and are still slightly underweight at 16% versus the benchmark at 18%. They have no exposure to Boston, LA, San Francisco or Chicago. They are still getting strong lease rates for the properties they currently hold. They do not see things changing dramatically in the office space any time soon. With respect to retail, they are even at 11% with the benchmark. They have no mall exposure in the portfolio. They own primarily necessity-based formats. This area has performed the second best behind industrial.

Mr. Pittenger reviewed the property sector diversification. He stated that they have 14% in alternative property subsectors such as data centers, life science, self-storage and student housing. He stated that they are planning on growing this part of the portfolio more than other areas. He reviewed the 2024 acquisition and disposition activity. He reviewed the top ten properties and the leverage highlights. He stated that the debt side has become much more important. The portfolio is not hindered by short term debt. He noted that the portfolio was down 1.97% for the quarter ending March 31, 2024. He stated that they do see some bottoming in real estate, noting some of it is interest rate driven.

Gregory Pittenger departed the meeting.

## **INVESTMENT MONITOR REPORT**

Jennifer Gainfort appeared before the Board. She stated that the acquisition she discussed at the last meeting with Mariner became official on April 2, 2024. She stated that everything is going smoothly. There is no real change except for their name.

Ms. Gainfort reported on the performance for the quarter ending March 31, 2024. She reviewed the market environment for the period ending March 31, 2024. She stated that the equity markets continue to see a strong rally on the prospect that the Fed could cut rates later in 2024. There were 22 all-time highs during the quarter. Last year it was anticipated that there would be 6 interest rate cuts this year. The reality is that there will not be as many interest rate cuts as initially expected. It is now anticipated that there might be only one interest rate cut this year. Ms. Gainfort noted that the Fed does not want to cut rates too soon while the economy is doing well. Equities were positive for the quarter and the year. Bonds were slightly negative for the quarter. Growth continues to lead the way. Growth and value were not as wide for the quarter as they were for the year.

Ms. Gainfort reported on the performance of the Fund for the quarter ending March 31, 2024. The total market value of the Fund as of March 31, 2024 was \$34,511,860. The asset allocation was 55.8% in domestic equities; 8.4% in international; 20.9% in domestic fixed income; 3.9% in global fixed income; 8.5% in real estate; and 2.6% in cash.

Ms. Gainfort recommended a rebalance. She stated that due to the nature of the market, domestic equities are above the target. She recommended pulling \$1,400,000 from

domestic equity by taking \$225,000 from MFS Growth, \$425,000 from Vanguard Equity Income, \$100,000 from the Vanguard Mid Cap Stock, and \$650,000 from the Vanguard Total Stock and moving \$450,000 to PIMCO, \$400,000 to EuroPacific, \$300,000 to DFA International, and \$250,000 to Garcia Hamilton. A motion was made, seconded and carried 4-0 to follow the Investment Monitor's recommendation and raise \$1,400,000 to rebalance the portfolio by selling \$225,000 from MFS Growth, \$425,000 from Vanguard Equity Income, \$100,000 from the Vanguard Mid Cap Stock, and \$650,000 from the Vanguard Total Stock and moving \$450,000 to PIMCO, \$400,000 to EuroPacific, \$300,000 to DFA International, and \$250,000 to Garcia Hamilton.

Ms. Gainfort reviewed the performance for the quarter ending March 31, 2024. The total portfolio was up 5.76% net of fees for the quarter ending March 31, 2024 while the benchmark was up 5.20%. The total equity portfolio was up 9.90% for the quarter while the benchmark was up 9.13%. The total domestic equity portfolio was up 10.32% for the quarter while the benchmark was up 10.02%. The total international portfolio was up 7.19% for the quarter while the benchmark was up 4.81%. The total fixed income portfolio was down .71% for the quarter while the benchmark was down .25%. The total domestic fixed income portfolio was down 1.08% for the quarter while the benchmark was down .42%. The total global fixed income portfolio was up 1.34% for the quarter while the benchmark was up .40%. The total real estate portfolio was down 2.04% while the benchmark was down 2.38%.

Ms. Gainfort reviewed the performance of the managers. The Vanguard Value Fund was up 7.81% while the Russell 1000 Value was up 8.99%. MFS Growth Fund was up 16.23% while the Russell 1000 Growth was up 11.41%. The Vanguard Mid Cap portfolio was up 7.86% for the quarter while the Russell Mid Cap was up 8.60%. The Vanguard Total Stock portfolio was up 10.00% for the quarter while the Russell 3000 was up 10.02%. The Garcia Hamilton Fixed Income portfolio was down 1.08% for the quarter while the benchmark was down .42%. The EuroPacific Growth portfolio was up 7.44% for the quarter while the benchmark was up 4.81%. The Dimensional Fund Advisors portfolio was up 6.95% for the quarter while the benchmark was up 4.70%. The Principal portfolio was down 2.04% for the quarter while the benchmark was down 2.38%. The PIMCO Diversified Fund was up 1.34% for the quarter while the benchmark was up .40%.

The Board was provided with a firm update from Garcia Hamilton dated May 24, 2024. It was noted that Janna Hamiton would be retiring from the firm. Ms. Gainfort stated that Ms. Hamilton did not manage the portfolio and made no investment decisions. She stated that Ms. Hamilton's retirement would have no impact on the Fund.

Ms. Gainfort discussed the funding needs of the Village. She stated that she was not advised that the Village had any funding needs at this time.

### **ACTUARY REPORT**

Chad Little appeared before the Board. He stated that he had nothing new to report. He suggested that he could provide an Actuary 101 educational session at a future meeting as there are a few newer Board Members.

Ardeth and Ralph Wiles departed the meeting.

### **ATTORNEY REPORT**

Ms. Jensen provided a Memorandum regarding Form 1099-R: Reporting of disability annuity payments to first responders and other disabled taxpayers dated April 2024. She stated that she was providing this for educational purposes as it was not really relevant for this Fund. She stated that the IRS made changes to Form 1099-R to help clarify how to report disability annuity payments to first responders or other taxpayers. She stated that this Fund reports disabilities as taxable amount not determined.

### **ADMINISTRATIVE REPORT**

There were no Benefit Approvals.

Ms. Adcock presented the disbursement list. A motion was made, seconded and carried 4-0 to approve and pay all listed disbursements.

It was noted that Bruce Gosman resigned from the Board as he moved to Tennessee. As such, there is a vacancy for the 5<sup>th</sup> Trustee position on the Board.

The Board was reminded to file their Form 1 Financial Disclosure by July 1.

### **OTHER BUSINESS**

It was noted that the Village received an application from Ardeth Wiles showing interest in sitting on the Board to replace Bruce Gosman. Ms. Wiles was in attendance today for most of the meeting. She has been a resident of the Village for a long time. There was discussion. A motion was made, seconded and carried 4-0 to nominate Ardeth Wiles to the Board as the 5<sup>th</sup> Trustee.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Kimberly Glas-Castro  
Secretary