



RIVIERA BEACH MUNICIPAL FIREMEN'S PENSION TRUST FUND

MINUTES

AUGUST 26, 2024

Chairman Bobbie Brooks Jr. called the meeting to order at 4:41pm. Those persons present were:

TRUSTEES PRESENT

Bobbie Brooks Jr. Chairman
Kenneth Brack, Secretary
Paul Wright, Trustee
Harry Freeman, Trustee
Kirk Henderson, Trustee

OTHERS PRESENT

Albert Lovingood, Resource Centers
Ron Cohen; Lorium Law
Ademir Zeco; Southeastern Advisory
Richelle Cook, American Realty
Tyler Pullen, Pullen Investment

EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All Trustees were physically present.

ADDITIONS AND DELETIONS

The Board made no modifications to the agenda.

INVESTMENT MANAGER ANNUAL REPORT – AMERICAN REALTY ADVISORS

Richelle Cook started her presentation by reviewing American Realty's strengths and alignment in detail with the Board, noting that the distribution queue is still in place due to the influx of clients requesting funds due to the unfavorable investment returns in the markets last year. For the Quarter ending June 30, 2024, the Portfolio earned a net -0.48% compared to the benchmark rate of -0.66%, Year-to-Date returns were -2.94% compared to the benchmark rate of -3.22%, The One-Year returns were -11.26% compared to the benchmark rate of -9.99%, and since inception, the Fund has earned 4.02%, compared to the benchmark rate of 4.10%. Mrs. Cook then reviewed the Fund Snapshot in detail with the Board, noting the leased percentage of 93.6%. The Portfolio Positioning Strategy for the Core fund was reviewed in detail with Mrs. Cook stating that the Fund has a target of 35% in Industrial, 32% in Residential, 8% in Other which consists of "sheds, beds, and tech", 15% in Office, and 10% target in Retail. Mrs. Cook then reviewed the diversification across markets and property types along with the tenancy and lease roll exposure with a detailed review of the expiring commercial portfolio by property type through 2032. The Plan's American Strategic Value Realty Fund was then reviewed in detail with the Board and Mrs. Cook reported the following. For the Quarter ending June 30, 2024, the Fund earned a net -1.11%, compared to the benchmark rate of -0.66%, Fiscal-Year-To-Date Returns were -3.75% compared to the benchmark rate of -3.22%, the Three-Year Returns were 0.80% compared to the benchmark rate of 1.02%, and since inception, the Fund has earned 4.05%, beating the benchmark rate of 2.94%. Mrs. Cook concluded her presentation with reviewed the variety of execution strategies in detail with the Board of Trustees along with a detailed conversation on where real estate markets are now and where they are trending for both the short and long term and provided the Board with an update on the distribution queue.

INVESTMENT MANAGER PRESENTATION – PULLEN INVESTMENT MANAGEMENT

Tyler Pullen thanked the Board for giving him an opportunity to present his firm and the Pullen Small Cap Equity Fund for consideration. Mr. Pullen started his presentation by providing the Board with the background of Pullen Investment Management, noting that he has a total of 10 years of working in this fund alone. The Firm's disciplined approach to small-cap investing and strategy was reviewed with Mr. Pullen noting that the Fund's 1-year return was 24.28%, which significantly outpaced the Russell 2000 Index's 9.59% return. Mr. Pullen reported that their investment philosophy is built around quality, value, and catalyst-focused investments, targeting high-quality companies that demonstrate structural advantages, sustainable profitability, and cash flow growth. By seeking undervalued stocks with identifiable catalysts for unlocking value, Pullen aims to capitalize on market opportunities while controlling for downside risk.

Pullen's process is contrarian and macro-aware, favoring out-of-favor sectors or misunderstood stocks that tend to benefit at different points in the market cycle. The portfolio is carefully constructed with 35-45 small-cap stocks, each positioned at 3-7% with sector limits to avoid concentration. Key holdings include Kinross Gold Corp and Coca-Cola Consolidated Inc., and the portfolio maintains a lower beta than the Russell 2000 Index, reflecting a less volatile stance. Mr. Pullen highlighted Universal Technical Institute (UTI) as a case study, investing based on the company's undervaluation and growth potential amidst high-demand, skilled trade



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programs. Mr. Pullen emphasized his firm's commitment to performance transparency, adhering to Global Investment Performance Standards (GIPS). This compliance underpins their reporting, ensuring that the firm's strategies are aligned with industry best practices, delivering reliable returns while maintaining strict operational standards for institutional investors like the Riviera Beach Firefighters' Pension Fund. Mr. Pullen concluded his presentation by informing the Board of Trustees that the fee, should the Plan wish to invest in the Pullen Small Cap Equity Fund would be 0.30% and answering various questions that the Trustees had.

The Board of Trustees discussed investing in the Pullen Small Cap Equity Fund along with where the funds should be drawn to not only fund the investment in Pullen, but also to ensure that the Plan is properly balanced in accordance with the Investment Policy Statement.

- Ken Brack made a motion to invest with Pullen Investment Management in the Pullen Small Cap Equity Fund. The motion received a second by Kirk Henderson and was approved by the Trustees 5-0.
- Ken Brack made a motion to sell 50% of the Vanguard Small Cap Index (Ticker VSMAX) and invest those funds in the Pullen Small Cap Equity Fund. The motion received a second by Kirk Henderson and was approved by the Trustees 5-0.

INVESTMENT CONSULTANT REPORT – SOUTHEASTERN ADVISORY

Ademir Zeco appeared before the Board to present the quarterly report for the period ending June 30, 2024. Mr. Zeco started his presentation with reviewing the market environment with the Board of Trustee and reported the following: U.S. equity markets reached new highs, with notable disparities between growth and value stocks, as well as between large and small companies. The S&P 500 gained 4.3% in the quarter, led by the technology sector, which saw an 8.8% increase, while the Russell 2000, which tracks smaller companies, fell by 3.3%. The S&P 500 posted gains, led by Technology, Communication Services, and Utilities. However, cyclical sectors such as Materials, Industrials, Energy, and Financials underperformed, noting that a limited number of large-cap tech stocks are the primary drivers of the overall market gains. International markets showed mixed results, with the MSCI Emerging Markets Index slightly outperforming the S&P 500 with a 5.0% gain. In contrast, developed international markets, as represented by the MSCI EAFE Index, declined by 0.4%. The underperformance of international stocks compared to U.S. stocks is largely attributed to limited exposure to the artificial intelligence sector, which has been a major growth driver in U.S. markets

For the quarter ending June 30, 2024, the Plan had a net gain of 0.58%, compared to the target index of 1.27%. For Fiscal-Year-To-Date, the Plan has a net return of 14.63%, compared to the benchmark rate of 16.15%. The Three-Year net return is at 3.13%, compared to the benchmark of 4.16%, and the Five-Year net return is at 7.54%, compared to the target index of 8.58%. Mr. Zeco then reviewed each Investment Manager's performance in detail with the Board, noting that Domestic Equities have been the shining stars this Fiscal Year with returns totaling 24.80%. Mr. Zeco concluded his presentation by reviewing the Investment Manager Status, noting that every manager is in good standing except for Westwood Value, who has been under review since the fourth quarter of 2023.

ATTORNEY REPORT – LORIUM LAW

Attorney Ronald Cohen informed the Board of Trustees' that Plan Administrator, Albert Lovingood was served with a Subpoena to produce records of a retiree who went out on a In-Line Duty Disability. Mr. Cohen reviewed the Subpoena in detail, noting that he had concerns with the release of medical records and that he was able to get the attorney to agree to not request the member's medical records due to concerns of HIPPA. Mr. Cohen also informed the Board that Mr. Lovingood was served with a Subpoena to testify via Zoom and that Mr. Cohen was present for this set of questions.

ADMINISTRATOR REPORT – RESOURCE CENTERS

Chapter 175 Premium Tax Dollars: Plan Administrator Albert Lovingood presented the Board with a handout highlighting the 2023 Chapter 175 Premium Tax Dollars Amount along with what the 2022 Chapter 175 amount was. Mr. Lovingood noted that the Plan is receiving more money than it did last year and that the State of Florida has already started issuing these payments. One the Plan's payment is received, Mr. Lovingood



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informed the Board that he will start to prepare the Share Allocations and plans to have the annual letters sent out to the retirees by December 1, 2024.

2025 Quarterly Board Meeting Dates: Mr. Lovingood presented the Board with the proposed 2025 Quarterly Board Meeting Schedule. Mr. Lovingood noted that the dates mirror the Plan's historical meeting schedule. The Board of Trustees and Mr. Lovingood had a detailed conversation about the 2025 Board Meeting Dates and considered changing some of the dates.

Trustee Conferences and Organizations: Mr. Lovingood informed the Board of Trustees that the FPPTA is starting Advanced Trustee Training along with another program called Water Bamboo. The Board of Trustees, Plan Attorney, and Mr. Lovingood discussed the new Trustee course along with the costs of other Trustee programs. Attorney Ron Cohen noted the importance of Trustees to receive continued educational events. The Trustees also had a detailed discussion regarding the Trustee Expense Policy and making changes to the daily meal allowance.

Trustee Tablets: Mr. Lovingood informed the Board that he wanted to revisit the discussion regarding the Plan obtaining tablets and wanted to get some clarification on what some of the historical roadblocks are so that those issues can be addressed and hopefully resolve those issues. Mr. Lovingood provided the Board with solutions to the concerns of personal information and the ability to wipe an iPad clean when it is surrendered and given to a new Trustee. Mr. Lovingood then explained the capabilities that can be utilized with using a tablet. The Board of Trustees along with the Plan Administrator had a detailed conversation regarding the memory size of the potential device along with the potential costs.

- Harry Freeman made a motion that the iPads will only be used for business related to the Fiduciary Duties as Trustees of The Riviera Beach Firefighters Pension Fund. The motion received a second by Ken Brack and was approved by the Trustees 5-0.
- Harry Freeman made a motion to approve the purchase of Five 256GB iPads. The motion received a second by Ken Brack and was approved by the Trustees 5-0.

The Board of Trustees had a detailed discussion on the logistics of purchasing the iPads which resulted in the decision to have one Trustee purchase the iPads for the Plan.

City of Rivera Beach Letter – Audited Financial Statement: Mr. Lovingood presented the Board with a letter from the City requesting that the Plan provide the Actuarial Valuation Report and Annual Audit to them no later than January 10, 2025. Mr. Lovingood informed the Board that he did speak with both the Auditor and Actuary to see if this deadline can be achieved without undue burden on their side. Both indicated that it is doable if all supporting data and documents are received and free of any errors.

KSDT Audit Engagement Letter: Mr. Lovingood informed the Board that he had hoped to receive the Audit Engagement Letter before the Board Meeting; however, he had not received it.

Annual Report: Mr. Lovingood informed the Board of Trustees that KSDT has been increasing the cost of completing the Annual Report from \$1,400.00 to \$4,500.00. Mr. Lovingood stated that with the expectation that KSDT will increase the Plan's cost to complete the Annual Report, he inquired if his office could complete the Annual Report for the Plan and what the Cost would be. Mr. Lovingood informed the Board that his firm can do the Annual Report, and the cost would be \$3,500.00. Attorney Ron Cohen explained the difference between the Annual Report and Annual Audit along with what the Annual Report entails.

- Harry Freeman made a motion to hire The Resource Centers, LLC to complete the 2024 Annual Report for The Riviera Beach Firefighters' Pension Fund. The motion received a second by Paul Wright and was approved by the Trustees 5-0.

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The May 20, 2024, Quarterly Board Meeting Minutes were presented to the Trustee packets for review.



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- Harry Freeman made a motion to approve the February 26, 2024, Quarterly Board Meeting Minutes as presented. The motion received a second by Kirk Henderson and was approved by the Trustees 5-0.

DISBURSEMENTS & FINANCIAL STATEMENTS

Mr. Lovingood presented the disbursements and interim financial statements for review.

- Kirk Henderson made a motion to approve the disbursements as presented. The motion received a second by Harry Freeman and was approved by the Trustees 5-0.

BENEFIT APPROVALS

Mr. Lovingood presented the Benefit Approvals to the Board for review and approval. The Board of Trustees noted an error regarding the hire date for one of the DROP Exit Members.

- Paul Wright made a motion to approve the disbursements as presented. The motion received a second by Kirk Henderson and was approved by the Trustees 5-0.

OLD BUSINESS

There was no old business to discuss at this meeting.

OTHER BUSINESS

There was no other business to discuss at this time.

NEW BUSINESS

There was no new business to discuss at this time.

STATEMENT FROM MEMBERS OF THE PUBLIC

Chairman Bobbie Brooks Jr. invited members of the Public for comment. There were no public comments at this time.

ADJORNMENT

There being no further business to discuss, the Board Adjourned at 6:44pm.

BOARD OF TRUSTEES

Bobbie Brooks, Jr.
Bobbie Brooks Jr., Chairman

Kenneth Brack
Kenneth Brack, Secretary

Kirk Henderson
Kirk Henderson, Trustee

Harry Freeman
Harry Freeman, Trustee

Paul Wright
Paul Wright, Trustee