

**THE CITY OF WEST PALM BEACH RESTATED EMPLOYEES'  
DEFINED BENEFIT RETIREMENT SYSTEM**

**MINUTES OF MEETING HELD  
August 24, 2022**

**1. CALL TO ORDER**

A regular meeting of the Board of Trustees was called to order at 1:30pm by Chairman Leon Pinder in the HR Training Room, 3<sup>rd</sup> Floor of City Hall.

Trustees present were:

Leon Pinder, Chairman  
Benny Rodgers, Trustee  
Sylvia Gregory, Trustee  
Bridget Souffrant, Trustee  
Armondo Fana, Trustee

Also present were:

Albert Lovingood & Scott Baur, Administrators – Resource Centers  
Arlene Franconero, Attorney – City of West Palm Beach  
Brendan Vavrica, Investment Consultant – AndCo Consulting  
Kurt Terrien, Investment Manager – Clarkston Capital

**2. PUBLIC COMMENTS**

There were no public comments.

**3. REPORTS**

**A. CLARKSTON CAPITAL (PRESENTED BY: KURT TERRIEN)**

Kurt Terrien stated his presentation with reviewing the performance summary of the Clarkston Capital Fund for the period ending June 30, 2022. For Quarter-To-Dade, the Fund earned -7.36% compared to the Russell 2500 Index of -16.98%, the Russell 2500 Value Index of -15.39% and the Russell 2500 Growth Index of -19.55%. The Year-To Date returns were -4.39% beating the Russell 2500 Index of -21.81%, the Russell 2500 Value Index of -16.66% and the Russell 2500 Growth Index of -29.45% Benchmarks. The Three-Year Trailing Returns were 9.58%, beating the Russell 2500 Index of 5.91%, the Russell 2500 Value Index of 6.19% and the Russell 2500 Growth Index of 3.68%, and since inception, the Fund has earned 9.23%, beating the Russell 2500 Index of 8.30%, the Russell 2500 Value Index of 7.75% and the Russell 2500 Growth Index of 8.03%. Mr. Terrien then reviewed the top five contributors to the fund and the bottom five contributors in detail with the Trustees along with the fund activity for the quarter, noting that the Fund increased positions in several holdings because of market volatility providing attractive buying opportunities. The Fund's outlook was then reviewed with the Board with Mr. Terrien pointing out that Clarkston's estimated IRR is above the long-term average at 14.5% with cash positions at an all-time low at 6.0%, and the portfolio concentration is near all-time highs at 60.7%. The

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challenges and opportunities of rising interest rates were then reviewed along with how the volatility in the markets provide investment opportunities for the Fund.

**B. QUARTERLY PERFORMANCE REPORT DATED JUNE 30, 2022 – ANDCO CONSULTING (PRESENTED BY: BRENDAN VAVRICA)**

Mr. Vavrica presented the Investment Report for the quarter ending June 30, 2022 and started his presentation by informing the Board that AndCo reinvests 100% of company profits back into the Firm, leading to an increase in personnel and technology. Mr. Vavrica was pleased to inform the Board that AndCo recently received a Greenwich Quality Award. For the Quarter ending June 30, 2022, the Plan was down a net -9.83%, beating the benchmark rate of -11.54% and ranking the Plan in the top 33<sup>rd</sup> percentile, the net Fiscal-Year-To-Date returns were -9.35%, beating the benchmark rate of -11.21%. The One-Year net returns were -9.82% compared to the benchmark rate of -11.21%. The Five-Year net returns were 6.52%, compared to the benchmark rate of 6.90%. and since inception the Plan has earned 7.88%, beating the benchmark rate of 7.24%. Mr. Vavrica then reviewed the individual Investment Managers in detail with the Board, noting that Real Estate was the only investment that earned a positive return for the quarter of 4.55%, which was right inline with the benchmark rate of 4.55%.

Mr. Vavrica then reviewed the Diversity Report for the Plan's current Investment Managers along with the Diversity Reports for the Prospective Large Value Managers in detail with the Board which included ethnicity and gender by EEO Job Categories, which included number of employees and percentage of total staff. Mr. Vavrica then reviewed AndCo's Diversity Makeup and investment in education leading to internships and future employment with the Firm.

**C. ATTORNEY REPORT**

**1. LEGISLATIVE UPDATE**

City Attorney, Arlene\_Franconero reported no significant legislative updates along with having no update on the Plan Administrator RFP being prepared by the City's Procurement Department.

**D. ADMINISTRATIVE REPORT – RESOURCE CENTERS (PRESENTED BY: ALBERT LOVINGOOD & SCOTT BAUR)**

**1. SIGNATURE CARD UPDATES**

Albert Lovingood informed the Board that he is missing a few Trustee signatures on the updated Signature Cards and Signature Authorization Forms and asked that all of the Board Members see him before leaving.

**2. RESOURCE CENTERS MEMO – PBI CERTIDEATH SERVICE**

Mr. Lovingood informed the Board that The Resource Centers will be

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**3. KDST AUDIT ENGAGEMENT LETTER**

Mr. Lovingood presented the Board with the 2022 Audit Engagement Letter for KDST, noting that this year's audit will cost \$11,245.00 compared to the \$10,710.00 that the Plan paid last year.

**A motion was made by Benny Rodgers to approve and sign the 2022 KDST Audit Engagement Letter as presented. The motion received a second by Armondo Fanna and was approved 5-0.**

**4. 2023 BOARD MEETING SCHEDULE**

Mr. Lovingood provided the Board with the proposed 2023 Board Meeting Schedule, noting that per the recent changes voted and approved by the Board, the Quarterly Board Meetings have been moved from Tuesday to Wednesday starting at 1:30pm.

**5. RESOURCE CENTERS – DIVERSITY REPORT**

Scott Baur introduced himself to the Board of Trustees and thanked the Board for allowing his firm to be the Administrators for the West Palm Beach General Employees' Pension Fund. Mr. Baur then provided the Board with the Resource Centers Diversity Rereport and reviewed it in detail, noting that his firm has 19 total staff members with 6 males and 13 females. Mr. Baur went on and reviewed the Firm's diversity by age groups, ethnicity, and highlighted that his firm has one Disable Veteran and two LGBT+ employees at his Firm.

**4. PLAN FINANCIALS**

The financial statements through June 30, 2022, were included in the meeting packets for review along with the disbursements dated August 24, 2022.

**A motion was made by Benny Rodgers to approve the disbursements for August 24, 2022, as presented. The motion received a second by Bridget Souffrant and was approved 5-0**

**5. BENEFIT APPROVALS**

The Benefit Approvals dated August 24, 2022, were reviewed by the Board.

**A motion was made by Benny Rodgers to approve the Benefit Approvals Dated August 24, 2022, as presented. The motion received a second by Bridget Souffrant and was approved 5-0.**

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**6. MINUTES**

The Minutes from the May 18, 2022, Quarterly Board Meeting were reviewed by the Trustees.

**A motion was made by Sylvia Gregory to approve the Quarterly Board Meeting Minutes dated May 18, 2022, as presented. The motion received a second by Bridget Souffrant and was approved 5-0.**

**7. OLD BUSINESS**

An update regarding Mr. Monroque was given. Mrs. Franconero informed the Board that the COLA provisions in the Plan Ordinance were reviewed and that the Plan has properly followed Ordinance regarding the conversion of Mr. Monroque's Disability Pension to a Normal Pension at age 65.

**8. NEW BUSINESS**

There was no new business at this time.

**9. ADDITIONAL REPORTS**

There were no additional reports for this Board Meeting.

**10. PUBLIC COMMENTS**

There were no public comments in person, via zoom, or electronically submitted.

**11. NEXT MEETING – TUESDAY, December 6, 2022, AT 1:30PM**

**12. ADJOURN**

There being no further business to discuss, the Board Adjourned at 2:30pm