

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

**MINUTES OF MEETING HELD
December 6, 2022**

1. CALL TO ORDER

A regular meeting of the Board of Trustees was called to order at 1:37pm by Trustee Bridget Souffrant in the HR Training Room Located on the third floor of City Hall.

Trustees present were:

Benny Rodgers, Trustee
Bridget Souffrant, Trustee
Stephen Hunter, Trustee
Sylvia Gregory, Trustee
Armando Fana, Trustee
Leon Pinder, Chairman (Arrived at 1:53pm)

Also present were:

Scott Baur & Albert Lovingood, Administrators – Resource Centers
Arlene Franconero, Attorney – City of West Palm Beach
Brendan Vavrica, Investment Consultant – AndCo Consulting
Greg Peters – DANA Investments
Krystal Proctor & Jed Ellerbrook – Argent Capital

2. PUBLIC COMMENTS

There were no public comments.

3. REPORTS

A. ARGENT CAPITAL (PRESENTED BY: KRYSTAL PROCTOR & JED ELLERBROOK)

Krystal Proctor introduced herself to the Board and thanked the Board for their long-term commitment to the Argent Capital Large Cap Growth Fund. Mrs. Proctor started her presentation by reviewing her Firm with the Board. Argent Capital is a wholly owned employee Firm with \$2.6 Billion under management and has 29 employees based in St. Louis Missouri. Jed Ellerbrook introduced himself to the Board and outlined the investment process with the Board, noting that it is based on a fundamental bottom-up approach. Argent Capital screens for a positive catalyst, consistent business, and commitment to capital stewardship. The growth manager earned -8.44%, outperforming the K1000g benchmark rate of -21.64%. Mr. Ellerbrook then reviewed the recent purchases and sales with the Board and explained the specific holding in detail. The portfolio has low 25% annual turnover rate with being overweight to financial and healthcare.

B. DANA INVESTMENTS (PRESENTED BY: GREG PETERS)

Greg Peters started his presentation with reviewing the inflation concerns and geopolitical events bring markets down globally. Mr. Peters reported that the manager recently underperformed for the fiscal year with returns totaling -20.09%, compared to the benchmark rate of -15.47%. The sector performance was reviewed in detail with the Board of Trustees along with the portfolio attribution to address the recent performance and stated that the fund maintains a sector neutral. Mr. Peters then

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reviewed the market environment and Dana's risk-controlled equity strategies along with the sector contributors and detractors with the Board. Mr. Peters concluded his presentation by reviewing the Fund Characteristics with the Board and stated that he believes that the portfolio is positioned well going forward and reviewed the Federal Reserve Balance sheet with the Trustees.

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

Mr. Vavrica presented the Investment Report for the quarter ending September 30, 2022, and reported the following. Both equities and fixed income posted losses and only real estate holding provided positive results for the Fiscal year. The market is now suffering the hangover from the excess COVID-19 Stimulus and some elements of inflation now appear to be moderating. Mr. Vavrica informed the Board that he may recommend that the Board rebalance assets from Real Estate. The Plan finished the Fiscal Year with \$41,119,146 in total assets. For the quarter ending September 30, 2022, the Plan earned -4.92%, compared to the benchmark rate of -4.73%. For the Fiscal Year, the Plan earned -13.63%, beating the benchmark rate of -15.51% and finished in the top 34% of its peer group.

D. ATTORNEY REPORT

1. LEGISLATIVE UPDATE

City Attorney, Arlene Franconero provided the Board with an update related to the Pension Payments to Kenneth Dockswell in addition to reviewing the Required Mandatory Distribution Requirement changes issued by the IRS in detail. Mrs. Franconero informed the Board that the city will update the Plan Ordinance to maintain compliance with IRS Code and required language. Mrs. Franconero then reviewed the Proxy Voting law changes with the Board, noting that the change will make investment manager proxy votes more transparent.

E. ADMINISTRATIVE REPORT – RESOURCE CENTERS (PRESENTED BY: SCOTT BAUR AND ALBERT LOVINGOOD)

1. Resource Centers Memo – SOC1 Type 2 Audit

Scott Baur presented the Board with a memo regarding the Resource Centers SOC1 Type 2 Audit. Mr. Baur explained to the Board in detail what the purpose of the SOC1 Type 2 Audit is, noting that this is the Resource Centers 15th year of having the SOC1 Type 2 Audit done and for 15 years in a row, his firm has had no findings.

2. Resource Centers Memo – 2023 Trustee Conference List

Mr. Lovingood presented the Board with the 2023 Conference List and informed the Trustees that if they are interested in any of the conferences to let him know so that he can register them.

3. IRS W-4P Changes

Mr. Lovingood Informed the Board of Trustees that the IRS had updated the W-4P Tax Form for Calander Year 2022 which was found to be confusing, and the IRS delayed

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the requirement to use the new form. For 2023, the IRS has modified the W-4P to make it a bit easier to understand and starting January 1, 2023, anyone who is retiring or wishes to change their Federal Tax withholdings will need to use the new form.

4. Signature Card Updates

Mr. Lovingood informed the Board that he had the updated signature card for the local checking account and requested that all the Trustees see him before they leave.

4. PLAN FINANCIALS

The financial statements through September 30, 2022, were included in the meeting packets for review along with the disbursements dated December 6, 2022.

A motion was made by Stephen Hunter to approve the disbursements for December 6, 2022, as presented. The motion received a second by Armando Fana and was approved 6-0.

5. BENEFIT APPROVALS

Mr. Lovingood informed the Board that there are no Benefit Approvals to approve at this time.

6. MINUTES

The Minutes from the August 24, 2022, Quarterly Board Meeting were reviewed by the Trustees.

A motion was made by Armando Fana to approve the Quarterly Board Meeting Minutes dated August 24, 2022, as presented. The motion received a second by Stephen Hunter and was approved 6-0.

7. OLD BUSINESS

- A. Plan Administrator RFP** – City Attorney, Arlene Franconero explained the RFP process in detail with the Board of Trustees. Mrs. Franconero reported that the City wants a five-year agreement with two-year extensions. Firms must commit to a five-year price agreement and renewals must not increase above the CIP for South Florida. The RFP has evaluation factors and Mrs. Franconero reviewed the language changes to address the extended terms and fee structure.

A motion was made by Sylvia Gregory to approve the Plan Administrator RFP Changes as presented. The motion received a second by Bridget Souffrant and was approved 6-0.

- B. Secretary Seat** – Mr. Lovingood informed the Board that the Secretary Position is still vacant and needs to be filled. Chairman Leon Pinder asked the Trustees for a nomination.

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A motion was made by Stephen Hunter to appoint Sylvia Gregory as Secretary. The motion received a second by Bridget Souffrant and was approved 6-0.

8. NEW BUSINESS

Ordinance Change Proposal – Chairman Leon Pinder informed the Plan Attorney that over the years, retirees have requested to update their joint annuitant after retirement and inquired about updating the Plan Ordinance to allow a change after retirement. Attorney Arlene Franconero stated that the city does not favor allowing such changes. The Board had a detailed conversation regarding this matter, which resulted in Trustee Benny Rodgers inquiring if the Ordinance is in compliance with Florida State Law. The State Statute regarding changing a joint annuitant was reviewed and clarified that it only applies to Police and Fire Pension Plans. Some of the Trustees expressed favor for allowing members to make changes and the Board considered the process to make such a change to the Ordinance.

9. ADDITIONAL REPORTS

The following reports were included in electronic form for the Board of Trustees. Argent Capital 09-30-22 West Palm Beach Commission Purpose, Argent Capital 09-30-22 West Palm Beach Compliance Certificate, Argent Capital 09-30-22 West Palm Beach Portfolio Appraisal, Argent Capital 09-30-22 West Palm Beach Proxy Voting Record, Argent Capital 09-30-22 West Palm Beach Purchase Sales, and the Argent Capital 09-30-22 West Palm Beach Third Quarter Overview.

10. PUBLIC COMMENTS

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

11. NEXT MEETING – TUESDAY, FEBRUARY 22, 2023, AT 1:30PM

12. ADJOURN

There being no further business to discuss, the Board Adjourned at 2:56pm