

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

MINUTES OF MEETING HELD

May 17, 2023

1. CALL TO ORDER

A regular meeting of the Board of Trustees was called to order at 1:37pm by Chairman Leon Pinder in the HR Training Room, 3rd Floor of City Hall.

Trustees present were:

Leon Pinder, Chairman
Sylvia Gregory, Secretary
Benny Rodgers, Trustee
Bridget M. Souffrant, Trustee
Stephen Hunter, Trustee
Armondo Fana, Trustee (Joined at 1:43pm)

Also present were:

Albert Lovingood, Administrators – Resource Centers
Arlene Franconero, Attorney – City of West Palm Beach
Brendan Vavrica, Investment Consultant – AndCo Consulting
Jenna Hamelton, Investment Manager – Garcia Hamelton
Richelle Cook, Investment Manager – American Realty Advisors

2. PUBLIC COMMENTS

There were no public comments.

3. REPORTS

A. ARA CORE PROPERTY FUND – AMERICAN REALTY

Richelle Cook started her presentation by giving the Board a review of her firm along with the firm's strength and alignment, noting that American Realty is 100% employee-owned, 34 years of operating history and \$12.7 Billion in Assets Under Management along with noting the continued AUM and investor growth. Mrs. Cook then reviewed the diverse and targeted private real estate investment funds that American Realty has and reviewed the outlook for property sectors, pointing out the focus on cold storage properties. The ARA Core Property Fund return target is at 7-9%. Mrs. Cook informed the Board that the Fund had a expected rate of return totaling 7% for 2022; however, with stocks and bonds having some of the worst returns since 2009, The ARA Core Fund ended 2022 with a return of over 29%. As of March 31, 2023, the Fund has a total of 90 investments that equal to a total of 256 buildings. The Portfolio is not taking on a ton of debt and is 92.3% leased and the Portfolio has taken a moderate leverage stance. The Redemption Que for the Portfolio was reviewed in detail with the Board of Trustees. The diversification across markets and property types were reviewed in detail along with the consistently high leasing rates, noting that leasing rates were resilient throughout the pandemic due to market and asset selection along with quality. The Fund is currently overweight in Industrial with a target of 35%, overweight in Residential with a target rate of 32%, neutral weight in Other, also known as "sheds, beds, and innovation" sector with a target rate of 8%, underweight in office space with a target rate of 15%, and underweight in retail with a target rate of 10%. Mrs. Cook concluded her presentation by reviewing the 2022 Targeted Investment Activity with the Board.

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**B. Garcia Hamilton Associates 03-31-2023 Quarterly Performance Report
(Janna Hamilton)**

Janna Hamilton started her presentation by informing the Board that Garcia Hamilton Fixed Income Portfolio has provided the Plan 12 years of high quality only short duration investments. For the quarter ending March 31, 2023, the Fund earned 3.94%, beating the benchmark rate of 2.96%. the Fiscal-Year-To-Date returns were 6.96%, compared to the benchmark rate of 4.89%. The Five-Year returns were 1.21%, beating the benchmark rate of 0.91%, and since inception, the Portfolio has earned 2.96%, compared to the benchmark rate of 2.08%. Mrs. Hamelton then reviewed the long-term growth of the money supply. Trustee Armando Fana asked if the money supply growth is cash or cash and credit, which Mrs. Hamelton clarified is cash. The inflationary pressures were reviewed in detail along with the indicators that are noting a risk of a recession. Mrs. Hamelton concluded her presentation by reviewing the Fixed Income Portfolio Characteristics in detail with the Board of Trustees.

**C. AndCo 03-31-2023 Quarterly Performance Report (Brendan Vavrica,
AndCo)**

Brendon Vavrica started his presentation by providing the Board with a handout titled, "A Closer Look at the measurement of Inflation". Mr. Vavrica reviewed the Consumer Price Index for All Urban Consumers and the Core Consumer Price Index in detail from 1960 through 2023, noting the key differences in how inflation has affected the Food, Energy, Commodities, and Services sectors. Mr. Vavrica then presented the Quarterly Performance dated March 31, 2023, to the Trustees. Mr. Vavrica reviewed the major market index performance throughout the quarter in detail. The Plan's asset allocations were reviewed with Mr. Vavrica stating that all of the investments are within the Investment Policy Statement Guidelines and recommended that the Plan may need to get into the Real Estate Redemption Que by requesting a total distribution totaling 7.5% of the fund. The Trustees discussed the recommendation made by the Investment Monitor in detail.

A motion was made by Leon Pinder, based on the recommendation of the Investment Monitor to sell a total of \$1,400,000.00 of the American Realty Advisors Core Property Fund. The motion received a second by Armando Fana and was approved 6-0.

Mr. Vavricka then reported the following: For the Quarter ending March 31, 2023, the Plan was up a net 3.47% compared to the benchmark rate of 5.26%, the Fiscal-Year-To-Date returns were 10.88%, compared to the benchmark rate of 11.20%. The One-Year returns were -4.74%, beating the benchmark rate of -6.35%. The Five-Year returns were 6.10%, compared to the benchmark rate of 6.72%, and since inception the Plan has earned 7.87%, beating the benchmark rate of 7.27%, resulting in the Plan being in the top 10th percentile of its peers. Mr. Vavrica concluded his presentation by reviewing the performance of each Investment manager in detail with the Trustees.

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D. ATTORNEY REPORT

1. Legislative Update

City Attorney, Arlene Franconero informed the Board of Trustees that House Bill 3 has been signed into Law with an effective date of July 1, 2023. Mrs. Franconero reviewed the law in detail with the trustees, noting that investment decisions can only be based on pecuniary factors and the Plan may not invest to further any social, political, or ideological interests. The Law also states that Plans must comply with these requirements with regards to voting proxies and by December 15, 2023, and each odd-numbered year thereafter, the Plan must file a comprehensive report detailing and reviewing governance policies. Mrs. Franconero concluded her review by informing the Board that she is unsure what exactly needs to be included in the comprehensive report at this time.

1. Ordinance Change – Allow Retirees to Change Joint Annuitant

Mrs. Franconero informed the Board that the Pension Plan Ordinance change to include retired members the option to change their Joint Annuitant is in process and that a draft version should be ready for review at the next quarterly Board Meeting.

E. Administrative Report (Albert Lovingood, The Resource Center)

1. Robbins Geller Rudman & Dowd, LLP – Monitoring Agreement

Albert Lovingood provided the Board of Trustees with a copy of the Robbins Geller Rudman & Dowd, LLP Monitoring Agreement. The Trustees had a detailed conversation regarding the services that Robbins Geller offers and how they could help the Plan.

2. Form 1 Annual Filing

Mr. Lovingood reminded the Board of Trustees that the Annual Form 1 Filings are due no later than July 1, 2023, to the Supervisor of Elections of the County that the Trustee lives in.

3. Wells Fargo – Positive Pay

Mr. Lovingood presented the Board with the fee schedule that was provided by Wells Fargo and reviewed the fees in detail. Trustee Bridget Souffrant stated that she thought that the fee was very high for the number of physical checks the Plan issues per month. The Trustees discussed the matter in detail and requested that Mr. Lovingood send Wells Fargo a request to take the Banking Relationships of both the City and the Pension Plan into consideration and find out if the Bank would reduce the monthly cost or wave the fees all together.

4. PLAN FINANCIALS

The financial statements through March 31, 2023, were included in the meeting packets for review along with the disbursements dated May 17, 2023.

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A motion was made by Bridget Souffrant to approve the disbursements dated May 17, 2023, as presented. The motion received a second by Armando Fana and was approved 6-0.

5. BENEFIT APPROVALS

The Benefit Approvals dated May 17, 2023, were reviewed by the Board.

A motion was made by Benny Rodgers to approve the Benefit Approvals Dated May 17, 2023, as presented. The motion received a second by Stephen Hunter and was approved 6-0.

6. MINUTES

The Minutes from the February 22, 2023, Quarterly Board Meeting were reviewed by the Trustees.

A motion was made by Bridget Souffrant to approve the Quarterly Board Meeting Minutes dated February 22, 2023, as presented. The motion received a second by Benny Rodgers and was approved 6-0.

7. OLD BUSINESS

There was no old business to discuss at this time.

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 – WEDNESDAY, August 23, 2023, AT 1:30PM

12. ADJOURN

There being no further business to discuss, the Board Adjourned at 3:39pm

