

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

**MINUTES OF MEETING HELD
NOVEMBER 29, 2023**

1. CALL TO ORDER

A regular meeting of the Board of Trustees was called to order at 1:33pm by Chairman Leon Pinder in the HR Training Room, 3rd Floor of City Hall.

Trustees present were:

Leon Pinder, Chairman
Sylvia Gregory, Secretary
Bridget Souffrant, Trustee (Joined at 1:38pm)
Stephen Hunter, Trustee
Armondo Fana, Trustee

Also present were:

Albert Lovingood, Administrator – Resource Centers
Arlene Franconero, Attorney – City of West Palm Beach
Brendan Vavrica, Investment Consultant – AndCo Consulting
Crystal Proctor, Jed Ellerbroek, and Ken Crawford, Investment Managers – Argent Capital
Greg Peters, Investment Manager – Dana Investments

2. PUBLIC COMMENTS

There were no public comments.

3. REPORTS

A. ARGENT CAPITAL LARGE CAP PRESENTATION (PRESENTED BY: KRYSTAL PROCTOR, JED ELLERBROEK, AND KEN CRAWFORD)

Crystal Proctor, Jed Ellerbroek, and Ken Crawford thanked the Board of Trustees for inviting them to provide an update on the performance of the Large Cap Growth Fund. Ms. Proctor started the presentation with an overview of Argent Capital, reporting that the Firm is an independently owned asset manager that was founded in 1998. Argent Capital is a boutique firm based in St. Louis, Missouri and is solely focused on asset management. The Firm has over \$3.1 Billion in Assets Under Management as of September 30, 2023. The Firm's collaboration was reviewed with Ms. Proctor noting Jed Ellerbroek's promotion to Portfolio Manager of the Large Cap Fund. Mr. Ellerbroek then reviewed the Firm's unified belief that the most powerful force in investing is compounding cash flows with Argent investing in high quality, attractively valued businesses that can thrive in an ever-changing world, noting that the Firm invested in United Rentals, who's investment increase by 35% in the past year and outgrew its peers by 15%. Mr. Ellerbroek also noted that United Rentals fared well compared to their competition with avoiding various natural disasters and strikes.

Ken Crawford then reviewed the Plan's long-term historical investment returns in the Fund, reporting that for the Quarter Ending September 30, 2023, the

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Fund had a net return of -2.29%, beating both the Russell 1000 Growth and S&P 500 benchmark rates. For the Fiscal Year, the total net return was 14.06%, the Five-Year net return was 10.05%, and since inception, the Fund has earned 9.16%. As of November 17, 2023, the preliminary performance of the Fund has a net return of 20.44% for the Fiscal Year to Date returns, 13.71% net return for the Five-Year Returns, and since inception, the Fund is at a net return of 9.46%. Mr. Crawford then reviewed the Large Cap Characteristics in detail with the Board of Trustees, noting that the Fund has more leverage towards growth. The top 10 holding of the Fund were then reviewed in detail with Mr. Crawford informing the Board that the Fund has an 8% cap limit on any single investment, which is why at times, the Fund underperforms to the benchmark rates and Argent will be changing the cap limits to be 5% above the S&P 500. The presentation was concluded with Investment Monitor Brendon Vavrica asked what the underperformance deficit is tied to, which Mr. Crawford stated that the weight limits within the Fund are the reasons for the underperformance. The Board thanked Ms. Proctor, Mr. Ellerbroek, and Mr. Crawford for their presentation and hoped that they have some free time to explore the City of West Palm Beach and have the opportunity to see Sandi Tree.

B. DANA INVESTMENTS

Greg Peters thanked the Board of Trustees for inviting him to provide an update on the performance of the Dana Large Cap Equity Fund that the Plan is invested in. Mr. Peters started his presentation with reviewing the Fund's performance. Mr. Peters reported that for the Quarter to Date, the Fund has a gross return of -5.00%, compared to the benchmark rate of -3.27%. For Fiscal Year to Date, the Fund's returns were 16.67% compared to the benchmark rate of 21.62%, the Five-Year gross returns were 7.50% compared to the benchmark rate of 9.92%, and since inception the Fund has earned 10.30%, which outperformed the benchmark rate of 9.93%. Mr. Peters then provided the Board of Trustees with an economic and market update for the Index Returns through September 30, 2023. The Wolfe Research Large Cap Stock Factor Performance was then reviewed in detail with the Board of Trustees along with the Year-to-Date Total Returns of the S&P 500 Index in comparison of the Index Top 5 Constituents and remaining Constituents of the Index. Mr. Peters reported that the Top 5 constituents generated 67% of the S&P 500 Index's return so far this year and if you add Tesla and Meta to the mix, those 7 constituents accounted for 80% of the S&P 500 Index total returns, even though these stocks only represent nearly 28% of the Index by weight. Mr. Peters then reviewed the characteristics of the Dana Large Cap Equity Fund in detail with the Board. Mr. Peters concluded his presentation with informing the Board that as of November 28, 2023, the Fund has a gross return of 6.7%.

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C. ANDCO CONSULTING (PRESENTED BY: BRENDAN VAVRICA)

1. QUARTERLY PERFORMANCE REPORT DATED SEPTEMBER 30, 2023

Brendon Vavrica started his presentation by reviewing the Market Rate and Yield Curve Comparison in detail with the Board of Trustees, noting that Garcia Hamilton is being negatively affected by the Yield Curve. The Asset allocation History by Portfolio for the past year was then reviewed with Mr. Vavrica stating that he does not see a need to rebalance at this time. For the Quarter ending September 30, 2023, the Plan earned a net -3.63%, compared to the benchmark rate of -3.20%, ranking the Plan in the top 88th percentile, the net Fiscal-Year-To-Date returns were 10.15%, compared to the benchmark rate of 12.17%. The Five-Year net returns were 4.65%, compared to the benchmark rate of 5.71%. and since inception the Plan has earned 7.64%, beating the benchmark rate of 7.13%. Mr. Vavrica then reviewed the individual Investment Managers in detail with the Board, noting that Real Estate was the only investment that has been in negative territory for the Fiscal-Year.

D. ANDCO HANDOUT 09-30-2023 NFI-ODCE DRAWDOWN CHART SET

Mr. Vavrica presented the Board with the Historical Core Real Estate Index Drawdowns that depict the Recession from the 1990's, Global Financial Crises, and the current Interest Rates & Office Drawdown. Mr. Vavrica reviewed the forward-looking annualized returns in detail with the Board of Trustees, noting the annualized returns over the five years preceding the Index Trough of each Core Real Estate Index Drawdown Period. Mr. Vavrica concluded his presentation with informing that Board that so far this quarter, the Plan is up 2.4%, which equates to an approximate gain of \$1 Million since September 30, 2023.

E. ATTORNEY REPORT

1. TEMPLATE REPORT FOR HOUSE BILL 3

City Attorney, Arlene_Franconero presented the Board of Trustees with a Template Report for House Bill 3 laying out the manner which the Bi-Annual Comprehensive Report will be filed. Ms. Franconero and Plan Administrator Albert Lovingood informed the Board that Bonni Jensen with Klausner Kaufman Jensen and Levinson had teamed up with several other Pension Plan Attorneys to determine how to submit a Comprehensive Report that satisfies all the requirements listed in House Bill 3. The report will include a cover letter, a copy of the Plan's Investment Policy Statement, and a copy of the letter sent to the Plan's Investment Managers regarding Florida Statutes 112.662 Proxy Voting law. Mr. Lovingood informed the Board that his Firm will submit the required report before the December 15, 2023, deadline.

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2. DRAFT ORDINANCE CHANGE – ALLOW RETIREES TO CHANGE JOINT ANNUITANT - UPDATE

City Attorney, Arlene_Franconero presented the Board with a draft ordinance change to allow retirees to change their joint annuitant after retirement. The Board of Trustees and Ms. Franconero reviewed the draft ordinance in detail with Trustee Stephen Hunter asking if the change would have a negative impact on the retirements of other participants in the Plan. Mr. Lovingood reported that the changing of the Joint Annuitant would not impact another participant's monthly Pension Amount; however, depending on the age and gender of the existing Joint Annuitant and the new Joint Annuitant will have an impact on the retiree's monthly benefit if he or she chose the 100% Joint and Survivor or 50% Joint and Survivor Option. Mr. Lovingood pointed out that with this Plan, the Life Annuity Benefit Option includes a 50% Pension Benefit payable to the member's spouse and having a spouse listed on that benefit option has no impact on the member's monthly benefit amount.

The Trustees had a detailed conversation with Ms. Franconero on the next set of steps to move forward and Mr. Lovingood informed the Board that if the City wishes to move forward with this ordinance change, the Plan will need to have the Plan Actuary conduct an Impact Statement on what the effect, if any, the change will have on the Plan. The Board requested that Ms. Franconero move forward with seeing if the City would entertain the proposed change, and if the City is, the Board will have the Plan Actuary conduct an Impact Statement.

F. ADMINISTRATIVE REPORT – RESOURCE CENTERS (PRESENTED BY: ALBERT LOVINGOOD)

1. 2024 Trustee Conference List

Plan Administrator Albert Lovingood presented the Board of Trustees with the 2024 Trustee Conference List. Mr. Lovingood reminded the Board that the list does not include all Trustee Conferences and if anyone is interested in attending any of these educational opportunities, to please let him know so that he can register them for that particular conference.

2. FPPTA Membership and CPPT Renewal

Mr. Lovingood informed the Board that he has initiated the Plan's membership renewal for the FPPTA and that he has submitted the required annual renewals for all of the Trustees who are CPPT Certified.

3. Bi-Annual Comprehensive Report Authorized Delegation Registration

Mr. Lovingood reported to the Board of Trustees that the State of Florida Department of Management Services had issued a notice to all Pension Plans to register an Authorized Delegation for a main point of contact for the new Bi-Annual Comprehensive Report that will need to be filed no later than

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December 15, 2023. Mr. Lovingood informed the Board that The Resource Centers has registered as the Authorized Delegation to ensure that this report is filed in a timely manner.

4. Positive Pay

Mr. Lovingood presented the Board with the Board of Trustees with an update regarding the inquiry into adding Positive Pay to the Plan's Local Checking Account. Mr. Lovingood reported that Wells Fargo had come back with a reduced monthly cost for Positive Pay and asked if the Board wishes to move forward with Wells Fargo or if the Plan would like for him to obtain costs from other financial institutions. Trustee Bridget Souffrant suggested that the Plan move forward with establishing Positive Pay due to the ever-growing bank account fraud nationwide. Mr. Lovingood stated that he would have his Payment Group obtain the required paperwork to establish Positive Pay for the Plan's local checking account.

5. KeyBank Signature Card Update

Mr. Lovingood informed the Board of Trustees that his firm has received the Agreement for Pension Plan Administration Services from the City and will need the Chairman's signature.

4. PLAN FINANCIALS

The financial statements through September 30, 2023, were included in the meeting packets for review along with the Disbursements dated August 23, 2023.

A motion was made by Stephen Hunter to approve the Disbursements dated November 29, 2023, as presented. The motion received a second by Sylvia Gregory and was approved 5-0

5. BENEFIT APPROVALS

The Board reviewed the Benefit Approvals dated November 29, 2023.

A motion was made by Stephen Hunter to approve the Benefit Approvals dated November 29, 2023, as presented. The motion received a second by Sylvia Gregory and was approved 5-0.

6. MINUTES

The Minutes from the August 23, 2023, Quarterly Board Meeting were reviewed by the Trustees.

A motion was made by Stephen Hunter to approve the Quarterly Board Meeting Minutes dated August 23, 2023, as presented. The motion received a second by Armando Fana and was approved 5-0.

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7. OLD BUSINESS

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

Attorney Arlene Franconero reported that the Robbins Geller Rudman & Dowd, LLP Monitoring Agreement is in review and once it is approved, the agreement can be signed to commence the hiring of this firm.

8. NEW BUSINESS

There was no new business at this time.

9. ADDITIONAL REPORTS

The following reports were provided to the Board of Trustees. American Realty 09-25-2023 Redemption Letter and American Realty 09-30-2023 Quarterly Investment Summary.

10. PUBLIC COMMENTS

There were no public comments.

11. NEXT MEETING – Wednesday, February 21, 2024, AT 1:30PM

12. ADJOURN

There being no further business to discuss, the Board Adjourned at 2:44pm

Signed by Sylvia Gregory - Secretary

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A handwritten signature in black ink, appearing to be 'P. G.', is written over a horizontal line.