

**PALM TRAN ATU LOCAL 1577 PENSION PLAN
MINUTES OF QUARTERLY MEETING HELD December 7, 2023**

Chairman Dwight Mattingly called the meeting to order at 8:34 AM at 100 N Congress Avenue, Delray Beach, FL. The meeting was available by communications media technology (CMT) using the following information: <https://pbc-gov.webex.com/pbcgov/j.php?MTID=m5a29a4ad292a35f080d3395480db1325>
Phone: 1 (844) 621-3956, Meeting number access code: 2310 582 3838, Meeting password: mYMe566YXpf

Those persons present included:

TRUSTEES

Dwight Mattingly, Chair
Lisa Master
Marcos Rodriguez
Valerie Alleyne

OTHERS PRESENT

Bob Sugarman, Sugarman Susskind Braswell & Herrera
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
Frank Wan, Burgess Chambers & Associates
Jason Jarjosa, Bloomfield Capital
Mike Lucci, Bloomfield Capital
Patrick Miller, J.P. Morgan
Meena Gandhi, J.P. Morgan
Chad Little, Freiman Little Actuaries, via CMT
Mary Shah, Strategic Benefits Advisors
Kimberly Morgan, Strategic Benefits Advisors
Magdala St. Fleur, Palm Tran HR

APPROVAL OF THE AGENDA

Ms. Alleyne made a motion to approve the Agenda. The motion was seconded by Mr. Rodriguez and approved by the Trustees 4-0.

APPROVAL OF THE MINUTES

Ms. Alleyne made a motion to approve the Minutes from the Quarterly Meeting of September 7, 2023, which were reviewed in advance by Counsel. Mr. Rodriguez seconded the motion, and it was approved by the Trustees 4-0.

PUBLIC COMMENT

There were no Public Comments.

Bloomfield Capital: Jason Jarjosa and Mike Lucci

Mr. Jarjosa and Mr. Lucci from Bloomfield Capital, a direct lender of private real estate loans, presented to the Board an investment opportunity. This investment is a type of alternative credit funding for these real estate loans and provides exposure to real estate debt with limited, approximately 24-months, asset lock-up. They have raised previous fund which have a strong track record of investing in projects that do not default. They have a niche in this market given their loan

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size as the typical lenders in this area will not do loans which are this small. Bloomfield does not issue loans in every state given different foreclosure laws and lender requirements. If a borrower defaults on the loan, Bloomfield is first in line to receive payment. To manage risk, they will limit the amount of money they loan and the number of commercial loans they will make at a given time. They currently manage assets for 14 pension funds in the state of Florida.

J.P. Morgan: Patrick Miller and Meena Gandhi

Mr. Miller and Ms. Gandhi from JP Morgan, presented on their Private Equity Fund. This Fund offers a simplified option for exposure to private equity by offering quarterly liquidity instead of locking up money for 10-15 years. The fund does a mix of investing in private and public equity which offer lower volatility and higher returns. They make primary investments, co-investments, and secondary investments. Their niche is small, mid-market buy outs. The fund focuses on selection of investments and takes a global approach. The Fund provides a simple option for Plans to get exposure to alternative credit through private equity. They currently manage assets for many public plans and pension plans in the state of Florida and are offering a discount on the management fees through June 2024.

INVESTMENT CONSULTANT: FRANK WAN (BURGESS CHAMBERS & ASSOC. (BCA))

Mr. Wan's recommendation to the Board is to invest in Bloomfield Capitals Bridge Loan once they receive \$1 million back from the \$4 million requested from the Real Estate investments.

Mr. Wan presented that in the 3rd quarter of 2023, even though the macro economic factors were strong, stocks and bonds did not perform well. He expects that the Fed will continue to raise rates. Very large, top seven stocks, drove performance in the third quarter. The rebalancing that the Plan did out of REIT, Convertibles, and Infrastructure added value.

Mr. Wan then reviewed the managers in the Plan. Scout's portfolio manager has announced his retirement. Given the performance challenges, Mr. Wan has recommended to watch performance through 4th quarter 2023 and then decide on whether to replace them or not.

Mr. Wan then reviewed Garcia Hamilton who short term is doing well as they have a longer duration than the benchmark which has performed well given the rate environment. The Board is concerned with their longer-term performance and despite recent success, is continuing to have them on watch and consider replacement.

Mr. Wan explained that Real Estate continues to be challenging as the Plan cannot get the assets back. The large cap portfolio is a blend of multiple assets; Vulcan continues to underperform recently and while 5-year returns are above benchmark, the Board is concerned with their volatility and is interested in looking at managers that are less-risky and provide more consistent returns.

Mr. Wan informed the Board he is inviting Garcia Hamilton and Vulcan to present at the March 2024 Board Meeting.

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ACTUARY REPORT: CHAD LITTLE (FREIMAN LITTLE ACTUARIES)

Mr. Little presented to the Board on funding liabilities for the Palm Tran pension plan. Chairman Mattingly shared an article with Mr. Little and Ms. Freiman, inquiring about the how health of the Palm Tran Pension Plan is determined compared to the article. Mr. Little explained to the Board that the proposed assessments in the article are already in effect for determining the health of the Palm Tran Pension Plan. Ms. Jensen informed the Board that besides the actuaries, the State of Florida also reviews and confirms that the Plan is being funded.

Mr. Little said he would work with the County to get a 25-year project budget for the Palm Tran Pension Plan and if the Board would like he will request this each year. Mr. Little will also provide bullets points on how the Pension Plan is funded and protected for the News Letter.

ATTORNEY REPORT: BONNI JENSEN AND ROBERT SUGARMAN

Ms. Jensen reported to the Board that her firm has informed Rolnick Kramer Sadighi to counter the \$500 offer from PG&E on their bankruptcy with \$750. Ms. Jensen will keep the Board informed on their counter offer.

Mr. Rodriguez made a motion to ratify the vote for \$750 proposed by the Chairman, Ms. Master seconded, approved by the Trustees 3-0.

Mr. Sugarman updated the Board on the House Bill 3 comprehensive report filing. The House Bill 3 states that by December 15 of each odd-numbered year, each Local Retirement System or Plan shall submit a comprehensive report to the Division. Mr. Sugarman informed the Board that he is working with other attorneys in Florida to create one report, meaning all Local Retirement Systems or Plans will submit the same report.

Ms. Shah informed the Board that she had registered for the Portal. Mr. Sugarman informed Ms. Shah that she will need to file the Attorney's letter and the Investment Policy Statement.

Ms. Jensen presented the Salem Trust Assumption and Ratification Agreement, as well as the official Fictitious name registration. Ms. Jensen informed the Board, this is due to the merger between TMI Holdings and Argent Financial Group being finalized. Ms. Jensen stated this is an addendum to Salem Trust's contract, there are no changes to the contract or fees.

Mr. Alleyne made a motion to adopt the Salem Trust Assumption and Ratification Agreement, Ms. Master seconded, approved by the Trustees 4-0.

Mr. Sugarman informed that Board the Grupo Televisa settlement fees will be dispersed in about two years. Mr. Sugarman advised that ten thousand dollars they had previously received was awarded to our pension plan to account for the time and expenses of our chairman and administrator in connection with this lawsuit.

ADMINISTRATOR REPORT: Mary Shah

Ms. Shah presented an adjustment to Strategic Benefits Advisors fee which includes the cost of the News Letter.

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Mr. Rodriguez made a motion to accept the Strategic Benefits Advisors fee increase. Ms. Master seconded the motion, and it was approved by the Trustees 4-0.

Ms. Shah presented the proposed Board Meeting dates for 2024.

Mr. Rodriguez made a motion to accept the proposed Board Meeting dates for 2024. Ms. Master seconded the motion, and it was approved by the Trustees 4-0.

Ms. Shah presented Mauldin and Jenkins Engagement Letter.

Mr. Mattingly inquired if it was common after a Request for Proposal (RFP), that the Auditor raises the cost the following year. Ms. Jensen reviewed the RFP and confirmed the cost adjustment was presented.

Ms. Master made a motion to approve the Mauldin and Jenkins Engagement Letter pending legal review and approval, seconded by Mr. Rodriguez approved by the Trustees 4-0.

Mr. Rodriguez made a motion to ratify the FPPTA membership, Ms. Master seconded, approved by the Trustees 4-0.

PLAN FINANCIALS

Mr. Rodriguez made a motion to receive and file the Interim Financials, seconded by Ms. Master, approved by the Trustees 4-0.

Mr. Rodriguez made a motion to ratify the Warrants dated December 7, seconded by Ms. Master, approved by the Trustees 4-0.

Mr. Sugarman stated that the Chairman is not allowed to approve his own benefit. The Board would have to make two separate motions, one motion for Benefit Approvals excluding the Chairman's benefit and one motion for Benefit Approval of the Chairman's benefit. The Chairman would need to file a Form 8B stating he abstained from approving his own benefit. The form will then need to be provided to Strategic Benefits Advisors and the Ethics Comity of the County.

Ms. Master made a motion to approve the Benefit Approvals excluding Chairman, Dwight Mattingly's dated December 7, 2023, seconded by Mr. Rodriguez approved by the Trustees 4-0.

Ms. Master made a motion to approve Chairman, Dwight Mattingly's Benefit Approval dated December 7, 2023, seconded by Mr. Rodriguez approved by the Trustees 3-0.

BOARD COMMENTS

There was no Board Comments.

OTHER BUSINESS


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There was no Other Business.

ADJOURNMENT

There being no further business and the next Quarterly Meeting being scheduled for Thursday, March 7, 2024. Mr. Rodriguez made a motion to adjourn the Meeting at 12:30 PM, seconded by Chairman Mattingly, and approved by the Trustees 4-0.


Secretary


Date