

PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD December 5, 2024

Chairman Dwight Mattingly called the meeting to order at 8:36 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/pbc-gov/j.php?MTID=mf3abf0bcf5ac397574b29fb91a03c46d>

Phone: 1 (844) 621-3956  
Meeting number (access code): 2304 099 9011  
Meeting password: pZ5pHUVY5Z8

Those persons present included:

TRUSTEES

Dwight Mattingly, Chair  
Lisa Master  
Marcos Rodriguez  
Valerie Alleyne

OTHERS PRESENT

Bob Sugarman, Sugarman Susskind Braswell & Herrera  
Madison Levine, Sugarman Susskind Braswell & Herrera  
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson  
Frank Wan, Burgess Chambers & Associates  
Maya Packer, Barings  
Emma Carlone, Barings  
Devin Sullivan, TA Realty  
Chad Little, Freiman Little Actuaries, via CMT  
Mary Shah, Strategic Benefits Advisors  
Lesley Posey, Strategic Benefits Advisors  
Magdala St. Fleur, Palm Tran HR  
Joey Acevedo, Palm Tran Union

APPROVAL OF THE AGENDA

Ms. Master 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

Mr. Rodriguez made a motion to approve the Minutes from the Quarterly Meeting of September 5, 2024, which were reviewed in advance by Counsel. One typographical error was noted. Ms. Alleyne seconded the motion, and it was approved by the Trustees 4-0.

PUBLIC COMMENT

There were no public comments.

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BARINGS: MAYA PACKER AND EMMA CARLONE

Ms. Packer and Ms. Carlone gave an overview of Barings Core Property Fund. It is a private Real Estate fund that focuses on current income along with growth potential. It targets a 7-9% gross return. It is a good time to invest in core real estate as interest rates have dropped and the speed of redemption has increased. Their portfolio is 98% leased and is fully invested in the US, split between the Western, Southern and Eastern parts of the county.

Chairman Mattingly inquired whether any of their portfolio had been impacted by natural disasters, and it was confirmed that no properties have been impacted. If one of them had been impacted, the risk would be spread over the entire portfolio and there is also an umbrella policy in place to cover the entire portfolio.

Residential and Industrial Office space comprises the majority of the Fund, with Life Science, Retail, Office Buildings, Self-Storage and Mezzanine Debt making up a combined 30-40% of the portfolio. Private real estate values have reset, making this a good time to invest in real estate. Non-strategic assets are sold and as new capital contributions come in, investments in key property sectors are purchased.

TA REALTY: DEVIN SULLIVAN

Mr. Sullivan gave an overview of TA Realty. They are a private real estate fund with expertise in industrial properties, heavily weighted in industrial, multifamily and grocery-anchored retail properties. Their assets are concentrated mostly in the Southern, Western and Eastern regions of the United States, and they focus on real estate in the major metropolitan areas. It is an \$8 billion fund; leverage is low and it has a \$265 million entrance queue.

TA Realty's portfolio composition is a bit different than the NCREIF (National Council of Real Estate Investment Fiduciaries) Open End Diversified Core Equity (ODCE) Fund, the benchmark index. TA Realty has more industrial, multi-family and grocery-anchored retail properties and fewer office buildings. Total returns vs. the ODCE were higher over the trailing 1-yr, 2-yr, 3-yr, 4-yr and 5-yr periods as well as since inception. Private market allocations move very slowly, so there is a need to plan ahead for investments.

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

Mr. Wan began with the market overview. The S&P 500 has returned 21% YTD with most of the returns coming from the "Magnificent 7", 35% vs 11% for the remaining stocks. As for the Federal Funds rate expectations, the expectation is that the FED will cut rates and rates will be around 2.9% in the next 3-5 years. The rest of the market is beginning to catch up with the "Magnificent 7".

Palm Tran's pension fund has returned 22.4% over the past year and is in the 17<sup>th</sup> percentile calendar YTD. The Fund's portfolio is now more efficient so more able to outperform the benchmarks. Fidelity Large Cap Fund has been the top performer in the portfolio. Assets have been moved out of Scout in two tranches. Internationals are underweight and returns have been lower since November, so the Fund is overperforming vs. their peers. Barings real estate fund has had significant improvement as they sold off some office buildings. Still some properties to be sold, so still some upside potential remains. As for GHA, the 10-Year interest rates fell and then went

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back up, but the Fund got out at the right time. Integrity has been added and Bloomfield is in the process of being added.

Mr. Mattingly asked to discuss the Investment Policy Review pages, as part of the Board's fiduciary duties include making sure we are meeting the Investment Policy and there are not too many "no's". Mr. Wan responded that diversification is working in the Fund's favor now and it was pointed out that the 3 and 5-year returns are based on a snapshot on one day.

CUSTODIAN REPORT: (PACKET ONLY)

The Quarterly Investment Report Q3 2024 was provided in the packet. No further updates and there were no questions.

ACTUARY REPORT: CHAD LITTLE

Mr. Little presented the GASB 68 Supplement as of September 30, 2024. It provides the changes to the net pension liability and pension cost of the Plan as of December 31, 2023, as well as a summary of the inflows and outflows for the Plan. There were no questions.

ATTORNEY REPORT: BONNI JENSEN AND ROBERT SUGARMAN

Ms. Jensen presented the update to the Statement of Policy Regarding Benefit Payments. Clarifying language related to disability retirement was added on page 3. The Policy relating to rehired retirees and reinstatements was also updated. For reinstatements, the facts and circumstances need to be reviewed to see if they go back to their old tier or if they are a new hire. A bona fide retirement happens if a member terminates and doesn't intend to come back. HR needs to be sure to send information if a person comes back – were they a rehire or a reinstatement. Clarifying language should be added to the policy about the tier a member enters when they return to employment.

The Statement of Policy Regarding Benefit Payments will be added to the website.

Ms. Alleyne made a motion to approve the updated Statement of Policy Regarding Benefit Payments with the addition of clarifying about the tier a member enters when they return to employment. Ms. Master seconded the motion, and it was approved by the Trustees 4-0.

Ms. Levine presented the 2024 Florida Legislature Special Report. An additional affidavit is needed for contracts enacted since January 1 to ensure that PII doesn't fall into the hands of foreign countries of concern as well as confirming the entity does not use "coercion for labor or services".

In addition, the draft of the policy to create a Pension Fund Advisory Committee was presented. The Advisory Committee would be composed of 4 people who would be selected by the Trustees and attend 1 session of FPPTA school as well as attend Board meetings. Discussion about the cost and necessary number of members on this committee followed.

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Mr. Rodriguez made a motion to table discussion on the creation of the Pension Fund Advisory Committee until the next meeting on March 6. Ms. Master seconded the motion, and it was approved by the Trustees 4-0.

ADMINISTRATOR REPORT: Mary Shah

Ms. Shah presented the Proposed Meeting Dates for 2025. It was discussed and agreed that 4 meetings per year continue to be the right amount.

Ms. Master made a motion to approve the proposed meeting schedule for 2025. Mr. Rodriguez seconded the motion, and it was approved by the Trustees 4-0.

Ms. Shah presented the retirements in process.

Ms. Shah presented Ms. Chaney's application for Disability Retirement, effective April 1, 2024. She left Palm Tran in March 2024, and she has an SSDI letter.

Mr. Rodriguez made a motion to approve Ms. Chaney's disability retirement date of April 1, 2024, based on her SSDI letter and her date of termination. Ms. Master seconded the motion, and it was approved by the Trustees 4-0.

Ms. Shah presented the Membership Renewals (FFPTA, IFEBP, NCPERS).

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

Finally, Ms. Shah noted the SBA address change. A postcard was mailed to retirees, and the SPD has the correct address in it. In addition, mail is still being picked up at the old location, so there is no delay for mail to be forwarded to the new address.

PLAN FINANCIALS

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

Ms. Alleyne made a motion to ratify the Warrants dated December 5, seconded by Ms. Master, approved by the Trustees 4-0.

Mr. Rodriguez made a motion to approve the Benefit Approvals dated December 5, 2024, seconded by Ms. Alleyne approved by the Trustees 4-0.

BOARD COMMENTS

There were no Board Comments.

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OTHER BUSINESS

Chairman Mattingly is planning to attend the upcoming Trustee Leadership Conference.

Ms. Master made a motion that any Trustee Leadership Conference is an approved expense for any Trustee who would like to attend. The motion was seconded by Mr. Rodriguez and approved by the Trustees 4-0.

ADJOURNMENT

There being no further business and the next Quarterly Meeting being scheduled for Thursday, March 6, 2025. Mr. Rodriguez made a motion to adjourn the Meeting at 12:36 PM, seconded by Ms. Alleyne, and approved by the Trustees 4-0.

  
Secretary

3/6/2025  
Date