

**PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD December 4, 2025**

Chairman Dwight Mattingly called the meeting to order at 8:30 AM at 50 S Military Trl, West Palm 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=m5fe29148927bcfdbd4d210e4d496f648>

Phone: 1 (844) 621-3956  
Meeting number (access code): 2312 126 6846  
Meeting password: xaJMjTVW772

Those persons present included:

TRUSTEES

Dwight Mattingly, Chair  
Lisa Master  
Valerie Alleyne  
Joey Acevedo

OTHERS PRESENT

Frank Wan, Burgess Chambers & Associates  
Brian Casey, Cohen & Steers  
Chris Caputo, Integrity Fixed Income  
Jeff Amrose & Trisha Amrose, Gabriel, Roeder, Smith & Company (GRS)  
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson  
Bob Sugarman & Madison Levine (virtual), Sugarman Susskind Braswell & Herrera  
Betty Garrett, Palm Tran HR  
Magdala St. Fleur, Palm Tran HR  
Randy Whitty, Strategic Benefits Advisors

The meeting was called to order, and a roll call confirmed the presence of Chairman Mattingly, Ms. Master, Ms. Alleyne, and newly Union appointed trustee Joey Acevedo who accepted a position on the Board prior to the start of the meeting.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

Ms. Alleyne made a motion to approve the Minutes from the Quarterly Meeting held September 4, 2025, which were reviewed in advance by Counsel. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.

PUBLIC COMMENT

There were no public comments.

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As discussed at the last meeting, Mr. Wan recommended interviewing Cohen & Steers as a potential replacement for Barings Capital, noting their innovative approach to liquidity and portfolio absorption.

COHEN & STEERS: BRIAN CASEY

Mr. Casey delivered a presentation to the Board regarding a proposed transition of real estate investments from Barings Capital to Cohen & Steers. The rationale for this recommendation centered on recent changes in management at Barings Capital and the opportunity for improved liquidity and diversification. The Cohen & Steers product can accept the current holdings from Barings Capital "in kind," streamlining the transition and minimizing potential losses.

Mr. Casey reviewed Cohen & Steers' investment strategy, which allocates approximately 35% to listed real estate (REITs) and 65% to private real estate, drawing on extensive back testing and market experience. This blend is designed to reduce overall portfolio volatility, enhance risk-adjusted returns, and offer more tactical flexibility. Key benefits highlighted include exposure to next-generation sectors such as data centers and cell towers, daily liquidity for a portion of holdings, and a more diversified portfolio compared to current arrangements. The product's in-kind transfer feature was emphasized for providing improved liquidity, with the potential for full liquidity within three quarters, and competitive fee terms were negotiated for BCA clients.

**Mr. Acevedo made a motion to execute the transition from Barings Capital to Cohen & Steers, with the "in kind" transfer of assets as recommended. The motion was seconded by Ms. Master and approved by the Trustees 4-0.**

INTEGRITY FIXED INCOME: BRIAN CAPUTO

Mr. Caputo provided a fixed income update to the Board. He reported that Integrity's portfolio has slightly outperformed its benchmark year-to-date, with a net return of 7.27% compared to the benchmark's 6.87%, and an outperformance of 1.25% since inception. Mr. Caputo reviewed the portfolio structure, highlighting a modest yield and duration advantage over the benchmark, and a cautious approach to credit sector exposure due to historically tight credit spreads.

He discussed the rationale behind maintaining portfolio flexibility rather than adopting a dedicated cash flow matching ("liability matching") strategy at this time. Mr. Caputo and Mr. Wan explained that, given current market spreads and the plan's open status, the current approach provides sufficient liquidity and yield, while retaining the ability to respond to changing conditions. The presentation emphasized that cash flow needs are currently being met through existing income and contributions, and that the Board will revisit cash flow matching if market conditions improve.

No changes to the fixed income investment strategy were recommended at this time.

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

Mr. Wan presented the Board with its quarterly investment update. The portfolio reached a record value of \$171 million, reflecting strong recent performance, including a 5.6% return for

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the quarter and an 11.8% return for the year, with performance rankings in the top percentiles among peers. Mr. Wan attributed these results to the plan's diversified approach—including allocations to US equities, real estate, and private credit—and to timely rebalancing actions, such as taking profits in large cap growth equities and reducing overweight positions.

Key points addressed included: current favorable performance in both equities and bonds; benefits of prior investments in real estate and private credit for portfolio stability and income; and continued close monitoring of credit spreads, liquidity, and contribution trends. Mr. Wan also noted increasing cash flow demands but affirmed that income plus contributions are currently sufficient to meet benefit payments.

Looking ahead, Mr. Wan recommended continuing risk management efforts, closely monitoring portfolio allocations, and remaining vigilant about equity valuations and market conditions. No immediate changes to the plan's overall investment strategy were recommended, but Mr. Wan emphasized ongoing oversight and periodic rebalancing as needed.

CUSTODIAN REPORT: (PACKET ONLY)

The Quarterly Class Action Q3 2025 was provided in the packet. There were no checks paid. Salem Trust contracts with Chicago Clearing Corporation to gather class action filings. In the last quarter, there were 0 claims filed, and 0 claims are pending.

ACTUARY REPORT: JEFF AMROSE

Mr. Amrose presented the results of a seven-year experience study for the period ending December 31, 2024. The purpose of the report is to evaluate the assumptions and methods to be used for actuarial valuations, and to describe the financial effect of the recommended assumptions and method changes based on GRS' findings. Key areas discussed included salary scale adjustments, retirement and withdrawal rates, mortality and disability assumptions, administrative expense treatment, the amortization method for unfunded liabilities, and the investment return assumption. The focus was to update assumptions so that, over time, gains and losses offset, ensuring long-term financial health and reasonableness.

The proposed actuarial assumption changes include lowering the salary scale assumption, reducing the ultimate projected increase from 5% to 3% based on actual salary growth trends, and updating retirement rates to reflect lower than expected retirement activity, particularly by aligning Tier 4 rates with Tiers 2 and 3 due to limited data. Withdrawal rates are proposed to increase, mirroring higher employee turnover before vesting, while the disability rate assumption will remain unchanged, as recent experience matches current expectations. The plan will adopt the most recent Florida Retirement System (FRS) mortality tables, incorporating improved longevity, especially for males. Administrative expenses are proposed to be recognized as a two-year average rather than a single year, smoothing contribution volatility, and the method for amortizing the unfunded liability is proposed to shift to a level dollar amount, which pays down the shortfall faster. The investment return assumption will remain at 7%, consistent with prevailing capital market projections. Collectively, these changes are expected, if approved, to reduce the annual required contribution by approximately 3% of covered payroll, starting with the January 1, 2026 valuation for the 2026–2027 fiscal year.

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**Ms. Master made a motion to update the pension plan's actuarial assumptions as proposed and maintain the investment return assumption at 7%. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

An extensive discussion on the feasibility and potential implementation of a Deferred Retirement Option Program (DROP) for the pension plan followed. The need to study DROP provisions were examined, referencing both previous analyses and the Florida Retirement System (FRS) as a comparative benchmark. Questions were raised regarding the structure of the DROP, such as the length of participation, investment return guarantees, the fiscal impact on the plan, and whether the study should include a broader side-by-side benefits comparison with FRS. Mr. Mattingly clarified that any formal feasibility study and comparative analysis would proceed only after union and Board of County Commissioners (BCC) ratification of the relevant contract language. Once approved, the actuary is to perform a cost and feasibility assessment based on the previously-studied five-year DROP design, as well as provide a benefit comparison.

**Mr. Acevedo made a motion to authorize the actuary to conduct a feasibility and cost study of implementing a DROP for the pension plan, contingent upon ratification by the union and BCC. The motion was seconded by Ms. Alleyne and approved by the Trustees 4-0.**

ATTORNEY REPORT: BONNI JENSEN & BOB SUGARMAN

Ms. Jensen presented the actuarial assumption policy aimed at ensuring the financial health of the pension plan. Under this policy, an actuarial experience study will be performed every five years to review and update the plan's key assumptions, such as rates of retirement, mortality, and other demographic and financial factors affecting the fund. The policy was reviewed and confirmed as appropriate by Mr. Amrose, aligning it with the practices and needs of the plan.

**Ms. Alleyne made a motion to accept the proposed Actuarial Assumption Policy. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

Ms. Jensen discussed Dario Zurita, a former employee of Palm Tran, who is subject to a pension forfeiture following his conviction for theft against his employer. Under Florida law, public employees who are convicted of certain crimes, including theft from their employer, must forfeit their governmental pension benefits. After pleading guilty, Mr. Zurita had already received a refund of his own contributions to the pension plan but was required to forfeit his service under the plan. The Board reviewed the case and confirmed that the legal requirements for forfeiture were met.

**Ms. Master made a motion to give formal notice of intent to forfeit Mr. Zurita's retirement benefit and service, initiating the appeals process as outlined by the plan. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

Mr. Sugarman discussed two disability pension applications from Bobby Cotman and Karl Leslie who appeared to fall just short of the plan's 10-year credited service requirement, even though they were recognized as disabled by Social Security. The discussion highlighted the rigid application of the 10-year rule and questioned whether leave or payroll nuances might affect

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credited service calculations. The Board decided to gather and review further employment records to accurately determine each applicant's service eligibility before making a final decision on their disability pension requests.

Mr. Jensen discussed Lovett Leonard, whose case centered on whether he was eligible for a \$200 supplemental benefit after retiring under the plan's rule of 85 but delaying his application for benefits by several months following his separation from service, even though he met all key requirements at the time of separation—including age, years of credited service, and not taking a refund of contributions. The Board deliberated whether he had sufficiently "retired directly from active service," as stipulated for the supplement. Recognizing the intent of the supplement was to assist eligible retirees who left after a full career, the Board agreed to interpret the rule in Leonard's favor.

**Ms. Alleyne made a motion to grant Mr. Leonard the \$200 monthly supplemental benefit. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

Ms. Jensen discussed the requirement to file a biennial report in accordance with Florida Statute 112.662, which mandates public pension plans to document that their investment decisions are made based on established guidelines and statutory requirements. Ms. Jensen explained that two years prior, the Board filed the necessary reports—along with updates to their investment policy guidelines—without issue, in line with statewide practice. For the current cycle, it was noted that the process would essentially be repeated, requiring only routine filing and documentation.

No Board motion or further action was necessary at this meeting, as the report would be prepared in the usual manner ahead of the deadline.

Ms. Jensen discussed David Romero, a former Palm Tran employee who retired in December 2019 and is seeking to return to work at the same organization. The main question was whether Mr. Romero's retirement in 2019 constituted a "bona fide" retirement, a requirement for him to legally continue receiving his monthly annuity payments after re-employment. After reviewing the timing and circumstances of his retirement—a gap of six years between retirement and rehire—the Board concluded that Mr. Romero's previous retirement was indeed bona fide.

**Mr. Acevedo made a motion to treat Mr. Romero's retirement as bona fide and allow him to continue receiving pension payments upon rehire. The motion was seconded by Ms. Master and approved by the Trustees 4-0.**

Ms. Jensen discussed Charles Boettiger, a member of Palm Tran/ATU Local 1577 Pension Plan ("Plan") who is considering accepting a management position within Palm Tran. The position is classified as a Florida Retirement System (FRS) position for pension purposes. Mr. Boettiger seeks clarification on whether he may work for Palm Tran, accrue service under FRS, and collect benefits from the Plan upon reaching his unreduced retirement age. The Board decided to deny paying benefits to employees who continue working at Palm Tran even if they transfer to a Palm Beach County position, citing a lack of separation from service which is an IRS qualification issue.

The Board requested that Ms. Jensen draft a memorandum analysis that Mr. Boettger cannot begin his Palm Tran pension if he is then employed by Palm Beach County.

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ADMINISTRATOR REPORT: RANDY WHITTY

Mr. Whitty presented retirements in progress.

Mr. Whitty presented the Audit Engagement Letter for the coming year. Mr. Whitty highlighted that the audit fee was set at \$22,000, with a scheduled increase of \$750 for each of the next two years.

**Ms. Master made a motion to accept the proposed Audit Engagement Letter. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

PLAN FINANCIALS

Approval of the Interim Financials was not necessary.

**Ms. Alleyne made a motion to ratify the Warrants dated December 4, 2025. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

**Ms. Master made a motion to approve the Benefit Approvals dated December 4, 2025. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.**

OTHER BUSINESS

The Board conducted its annual election for the positions of chair and secretary. Nominations were first opened for secretary, with Ms. Master being nominated by Mr. Mattingly and subsequently elected by unanimous acclamation, as there were no other nominees. Similarly, nominations for chairman were opened, and Mr. Mattingly was also elected by acclamation without opposition.

The process was straightforward, marking a continuation of leadership for another year with broad Board support.

Meeting dates for 2026 were also set, with meetings scheduled for March 5, 2026; June 4, 2026; September 3, 2026; and December 3, 2026.

BOARD MEMBER COMMENTS

Ms. Master discussed potential constitutional amendments being considered by the Florida Legislature that would eliminate or reduce property taxes, which are a critical funding source for county budgets, including pension plans. Ms. Master highlighted that if these proposals were approved by voters, counties would be forced to dramatically cut spending, as key areas like law enforcement and schools are protected from such cuts, leaving other services—such as transportation, parks, and social services—vulnerable. The financial impact is severe, with specific scenarios projecting massive budget reductions that would imperil services and undermine pension fund contributions. Ms. Master emphasized that most taxpayers would see a much smaller actual savings than the headline numbers suggest, and that public education is needed to

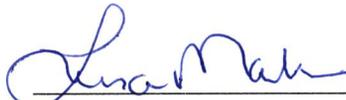
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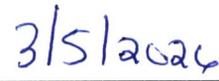
ensure voters understand the potential consequences of these amendments before making decisions at the ballot box.

ADJOURNMENT

There being no further business and the next Quarterly Meeting being scheduled for Thursday, March 5, 2026.

**Ms. Alleyne made a motion to adjourn the Meeting at 2:05. The motion was seconded by Ms. Master and approved by the Trustees 4-0.**

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Date