PALM TRAN ATU LOCAL 1577 PENSION PLAN
MINUTES OF QUARTERLY MEETING HELD June 5, 2026

Chairman Dwight Mattingly called the meeting to order at 8:35 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=m8aea7a9c2d1fbbedf6963f0a4ff40726

Phone: 1 (844) 621-3956
Meeting number (access code): 2306 944 5883
Meeting password: XGy2pAJM6h7

Those persons present included:

TRUSTEES	OTHERS PRESENT
Dwight Mattingly, Chairman	Fredlyne Johnson – Advisory Committee
Lisa Master	Sharon Maraj – Advisory Committee
Valerie Alleyne	Cameron Domenico – PIMCO
Joey Acevedo	Frank Wan – Burgess Chambers & Associates
	Daniel Anderson – Mauldin & Jenkins
	Jeff Amrose – Gabriel, Roeder, Smith & Company
	Bob Sugarman – Sugarman Susskind & Braswell
	David Robinson – Sugarman Susskind & Braswell
	Blanca Greenwood – Klausner, Kaufman, Jensen & Levinson
	Betty Garrett – Palm Tran HR
	Sharon Moore – 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 Mr. Acevedo, as well as Advisory Committee members Ms. Johnson and Ms. Maraj.

APPROVAL OF THE AGENDA

Ms. Master 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

Mr. Acevedo made a motion to approve the Minutes from the Quarterly Meeting held March 5, 2026, which were reviewed in advance by Counsel. Two typographical errors were noted. The motion was seconded by Ms. Master and approved by the Trustees 4-0.

PUBLIC COMMENT

Because Mr. Rente came to the meeting, the Board reviewed the disability retirement application of Enrique Rente under "Public Comment". Mr. Sugarman explained that Mr. Rente has over 10 years of service and therefore satisfies the service requirement for disability retirement. He was awarded Social Security Disability in 2023, and all records and supporting documentation were reported to be in order, with no conflicting information presented to the Board. The Board was advised that unless they had contrary information or wished to request an independent medical examination, Mr. Rente's application met the Plan's requirements for disability benefits.

Ms. Master made a motion to approve Mr. Rente's disability application. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.

Following approval, Mr. Rente was informed that he is now a retiree of the Plan and that the plan administrator will review his payment options and benefit details with him. He was reminded to promptly report any changes in address, banking information, or other significant life circumstances so that benefits are not interrupted, and the Board was reminded of their obligation to maintain the confidentiality of his health and medical information after the meeting concludes.

The Board then reviewed the disability retirement application of Karl Leslie who also was in the meeting room. Mr. Sugarman explained that Mr. Leslie initially appeared to fall short of the 10 years of service required for disability retirement, and Mr. Sugarman had attempted to obtain additional information through the union and county payroll records to confirm any prior service that might bring him up to the ten year minimum for eligibility. Despite those efforts, there was not enough verified service to show 10 years of service so as to qualify him for a disability benefit as of the date of the meeting. It was noted that there were no issues with the medical portion of his application; the barrier was strictly the service credit requirement. Mr. Leslie was given an opportunity to address the Board and expressed concern that some of his prior time, including work during earlier periods, may not have been fully captured in the records. Mr. Sugarman explained that any future corrections or additional verified service from the employer or union could allow his case to be revisited but based on the current records, he did not meet the minimum service requirement for a disability benefit

Ms. Master made a motion to deny Mr. Leslie's disability application and approve a vested termination retirement benefit for which he is eligible. The motion was seconded by Ms. Alleyne and approved by the Trustees 4-0.

Mr. Leslie was reminded to stay in close contact with the plan administrator regarding his terminated vested application, and it was reiterated that any additional documentation regarding past service for disability eligibility should be promptly provided so it can be reviewed.

Mr. Wan introduced PIMCO as one of the Plan's three bond managers, described them as the Plan's public credit manager that has produced incredible results, and then invited Mr. Domenico to present on the current economic environment and the firm's fixed income strategy and performance.

<u>PIMCO: CAMERON DEMONICO</u>

The Board received an investment presentation from PIMCO regarding its multi-sector income strategy used in the Plan's fixed income allocation. Mr. Domenico reviewed the current economic and interest rate environment, noting modest global growth, persistent inflation pressures, and an especially attractive opportunity set in high-quality fixed income. He explained that the PIMCO

Income Fund seeks to generate persistent income while preserving capital by actively allocating across global bond markets, with a significant emphasis on higher-quality sectors such as agency and non-agency mortgage-backed securities and other securitized credit, while being more cautious in lower-quality high yield and emerging markets. The portfolio is managed using a top-down economic outlook combined with bottom-up security selection and is designed to provide diversified sources of return rather than relying on any single sector. Mr. Domenico reported that the strategy produced strong results in 2025, returning approximately 11% net of fees versus about 7.3% for the Bloomberg U.S. Aggregate Index, driven by interest-rate positioning and securitized credit, though it experienced a temporary drawdown of roughly -2.5% in March amid a spike in interest rates following Middle East conflict headlines. He noted that the fund's current yield to maturity of about 7.3–7.4% is materially higher than the broad bond benchmark and many traditional fixed income sectors, supporting a favorable forward return outlook.

Following Mr. Domenico's presentation, the Board and Mr. Wan discussed PIMCO's role as the Plan's public credit sleeve alongside the existing core bond (Integrity) and private credit (Bloomfield) managers, particularly for cash-flow support and rebalancing purposes, while emphasizing the need to balance enhanced income and stability against maintaining sufficient equity exposure for long-term growth. No formal allocation change was approved at this time, but the Board acknowledged PIMCO's strong historical performance, risk profile, and potential role in future rebalancing decisions.

INVESTMENT CONSULTANT: FRANK WAN (BURGESS CHAMBERS & ASSOCIATES)

Mr. Wan reviewed the Plan's recent and long-term performance, noting that index funds (particularly in domestic equities) have generally outperformed active managers, with the Plan roughly matching a -1.8% quarterly benchmark but achieving an estimated 6–7% fiscal year-to-date return and strong gains from U.S. markets. Over the last 10 years, the Plan's market value increased from approximately $84 million to $173 million, generating about $95 million in net investment earnings and an annualized return of roughly 7.8%, which aligns with or exceeds the Plan's assumed rate of return. Mr. Wan summarized allocation changes over the past several years, including a move from a more diversified structure to a simpler, higher allocation to U.S. equities in response to rising interest rates, which has improved peer rankings into approximately the top quartile. He also highlighted recent manager and allocation decisions, such as increasing the Bloomfield position, replacing Barings with Cohen & Steers, and favoring PIMCO over Integrity within fixed income due to better yield and duration characteristics, while confirming that current holdings in taxable municipal bonds (including Florida education facilities bonds) remain appropriate and supported by state-related revenues. Overall, Mr. Wan characterized the portfolio as balanced, closely monitored, and well positioned, with continued incremental adjustments to be brought to the Board as needed.

CUSTODIAN REPORT: (PACKET ONLY)

The Quarterly Class Action Q1 2026 was provided in the packet. There were two settlements, totaling $198.15, 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.

AUDITOR REPORT: DANIEL ANDERSON

Mr. Anderson reported on the 2025 plan year audit of the Plan. He explained that Mauldin & Jenkins will issue an unmodified opinion, the highest level of assurance, and that Plan management is responsible for the financial statements and accounting policies while the auditor's role is to test balances and compliance under applicable audit standards. He described the accompanying Yellow Book report on compliance with laws, rules, regulations, and internal controls, noting there were no material findings or disagreements with management. Mr. Anderson highlighted that the financial statements include key estimates such as the fair value of investments and actuarially determined contributions, which were found to be reasonable. He reviewed the statements, noting total investments of nearly $178 million and a net position of just over $172 million, reflecting an increase of about $18 million driven by net investment income of just under $22 million and approximately $7.2 million in contributions, which more than offset benefit payments and administrative expenses of about $10.5 million. He pointed out disclosures on the employers' net pension liability, calculated at roughly $7.7 million under GASB standards, a reduction from the prior year's approximately $23 million, and explained differences between the GASB-funded ratio and the actuary's funded ratio. Mr. Anderson also referenced the 7% discount rate and related sensitivity disclosure, as well as 10-year trend information on net pension liability and concluded by expressing appreciation for management's cooperation and confirming Mauldin & Jenkins' independence and readiness to finalize and issue the report after completing quality assurance procedures.

Ms. Master made a motion to approve the final audit report, contingent on completion of the auditor's quality assurance process and any resulting final changes to the draft. The motion was seconded by Mr. Alleyne and approved by the Trustee's 4-0.

ACTUARY REPORT: JEFF AMROSE

Mr. Amrose presented the January 1, 2026 actuarial valuation report, noting that the Plan is approximately 91% funded on an actuarial value of assets basis, which was characterized as a healthy funded status, both on its own and compared to similar plans in Florida. He reported that the required employer contribution has decreased by roughly $800,000 (to about 14% of payroll), driven primarily by favorable investment experience, a reduction in the amortization of unfunded liability, and updates to actuarial assumptions (including salary, retirement, termination, disability, and mortality) following a recent experience study. He explained the contribution structure under the entry age normal funding method, distinguishing between normal cost and amortization payments, and discussed how gains and losses are smoothed over time, including recognition of deferred investment gains of about $7.7 million that are expected to support contribution stability over the next several years.

Mr. Amrose and the Board discussed the volatility of employer contributions, the concept of adopting a minimum contribution or funding policy to mitigate future spikes, the interaction of such a policy with the County's budgeting process, and the need for a joint meeting between the County and the union should they wish to develop a different formal funding policy. They noted that while the required employer contribution has recently decreased, contribution levels have historically been volatile, particularly when investment performance is weak and County revenues may also be under pressure. The Board emphasized that a level or minimum contribution, set as a percentage of payroll rather than a fixed dollar amount, could help stabilize funding, reduce the risk of unexpected spikes, and protect the Plan's strong funded status over the long term. They discussed process and governance: a policy should not be unilaterally imposed by either side, but rather worked out collaboratively among County administration, union leadership, the Board, and the Plan's actuary and investment consultant, then documented (e.g., by memorandum of understanding or incorporation into collective bargaining agreement) so it is clearly understood and durable. It was agreed that Chairman Mattingly, a County representative, and a Union representative should convene (supported by the actuary and investment consultant) to explore potential minimum contribution levels, the interaction with the 7% return assumption and County budget timing, and to develop recommendations for the Board's consideration at a future meeting.

Mr. Acevedo made a motion that a meeting be requested among Chairman Mattingly (acting on behalf of the Board), a representative of the County, and a representative of the Union to discuss potential options regarding the establishment of a minimum funding level and the development of a long-term funding policy for the Plan. The motion further authorized the Plan Administrator to coordinate the meeting and to invite the Plan's investment consultant and actuary to attend, with associated costs to be paid by the Plan. The motion also provided that any additional work, analyses, or studies requiring separate fees beyond attendance at the meeting would be subject to prior Board approval. The motion was seconded by Ms. Alleyne and approved by the Trustees 4-0.

The Board received a report from Mr. Amrose regarding a letter dated May 19, 2026 from the State of Florida addressing assumed investment return rates for public pension plans. Mr. Amrose explained that the State's letter, which referenced a "reasonable" long-term geometric average return range of approximately 5.60% to 6.10%, was issued broadly to many plans and was not based on a plan-specific review of this fund's asset allocation or historical performance. He noted that, in contrast, the plan's assumption of 7.00% is supported by a detailed experience study and capital market forecasts from 12 different investment consultants, which produced long-term expectations in the vicinity of 6.70% to 7.18%, depending on horizon and methodology. Based on this analysis, Mr. Amrose advised that the current 7.00% investment return assumption remains reasonable and supportable, and recommended no change at this time. He further indicated that he would prepare a brief letter to the State of Florida documenting the Board's decision to maintain the 7.00% assumption and supporting actuarial and capital market analysis.

Mr. Acevedo made a motion based on the actuary's recommendation, to continue using the 7.00% investment return assumption for the next several years, with the understanding it will be reviewed annually, and request that the actuary prepare a brief letter to the State of Florida indicating continuation of the 7.00% assumption. The motion was seconded by Ms. Alleyne and approved by the Trustees 4-0.

Mr. Amrose provided an informational presentation on cybersecurity as it relates to the Plan and its service providers. He explained that cybersecurity risks and related audits are becoming increasingly common for public pension plans across the state and noted that some firms now undergo independent cybersecurity audits of their systems, controls, and procedures at no direct cost to individual client plans. He described a typical market arrangement in which the cost of such audits (often in the range of $10,000–$20,000 per year per provider) may be shared or spread across multiple plans using the same vendors, thereby enhancing security oversight without imposing large new expenses on any single plan. Mr. Amrose recommended that the Board and plan administrator consider asking all key vendors (such as the actuary, investment consultant, custodian, and recordkeeper) whether they obtain independent cybersecurity audits and can provide evidence of those reviews. The Board acknowledged the importance of cybersecurity and concurred that it would be appropriate for the plan administrator to pursue additional due diligence on third-party cybersecurity practices and report back with any recommendations.

ATTORNEY REPORT: BOB SUGARMAN & BLANCA GREENWOOD

Mr. Sugarman reviewed the case of Bobby Cotman, explaining that he had applied for disability benefits and that the County had provided sufficient information to establish his eligibility. He noted that Mr. Cotman's prior period of credited service and disability eligibility had been previously accepted and remained applicable to his benefit calculation, and that nothing in the current file was inconsistent with his claims or the Plan's requirements. Based on the medical and administrative record, Mr. Sugarman advised that there was adequate support for the Board to approve Mr. Cotman's disability benefit.

Mr. Acevedo made a motion to approve Mr. Cotman's disability application. The motion was seconded by Ms. Master and approved by the Trustees 4-0.

Ms. Greenwood presented the final order of forfeiture in the matter of Dario Zurita, explaining that the order mirrors the requirements of the applicable state forfeiture statute and recites the necessary findings. She reported that Mr. Zurita, a Palm Tran employee and public employee subject to the forfeiture provisions, had pled guilty on August 12, 2025 to one count of third-degree grand theft involving approximately $2,500 belonging to his employer. Ms. Greenwood noted that Mr. Zurita received notice of the proposed agency action, did not respond, and did not request a hearing. She advised that, based on these facts, the statutory criteria for forfeiture were satisfied and recommended that the Board approve the final order.

Ms. Alleyne made a motion to approve the final order of forfeiture of Dario Zurita's retirement benefits. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.

Ms. Greenwood reported on the benefit election issue involving Marsha Solomon, explaining that under the Plan's written policy a participant has 90 days from receipt of benefit estimates to make a final benefit election, and that any extension of this review period must be requested within the original 90 days. In Ms. Solomon's case, no election was made within the 90-day period despite multiple outreach efforts, and no timely request for an extension or appeal was received, resulting in suspension of her benefits pursuant to the policy. Mr. Greenwood noted that Ms. Solomon had originally designated her spouse as beneficiary but now wished to change the beneficiary designation to her daughter, and that she had experienced financial hardship and family health issues during this period. She advised that while the policy did not require relief, the Board could exercise its discretion to make a one-time exception.

Mr. Acevedo made a motion based upon these unique circumstances to resume payment of Ms. Solomon's estimated benefit while updated calculations are prepared, to allow her to finalize her benefit form and survivor designation within 30 days of receiving the final numbers, and to reconcile any necessary adjustments or overpayments once her election is completed. The motion was seconded by Ms. Alleyne and approved by the Trustees 4-0.

Ms. Greenwood reported on the disability application of Howard Johnson, explaining that Mr. Johnson has already reached Rule of 85 retirement eligibility but is also seeking a disability benefit. She noted that, while the ultimate dollar amounts under a disability benefit and a Rule of 85 retirement benefit may be similar, the calculation methods differ. Disability benefits must be calculated using disability-appropriate mortality assumptions, which can produce a different (often slightly lower) benefit than the standard retirement calculation. Ms. Greenwood recommended that the Board approve Mr. Johnson's disability application and that he then be presented with two benefit options (his Rule of 85 retirement benefit and his disability benefit, together with the applicable optional forms of payment) so that he can make an informed benefit election. She further explained that, if Mr. Johnson elects a disability payment option, he must make that election twice, with a 10-day waiting period between the first and second elections.

Mr. Acevedo made a motion to approve Mr. Johnson's disability application, provided that, if Mr. Johnson elects a disability payment option, he must make the election twice, with a 10-day waiting period between the first and second elections. The motion was seconded by Ms. Master and approved by the Trustees 4-0.

Following approval, Mr. Sugarman reminded the Board that all of Mr. Johnson's medical records, like those of other disability applicants, are confidential and must be handled and stored in a non-public manner in accordance with the plan's confidentiality rules.

Ms. Greenwood provided an informational report on new accessibility requirements for web content and mobile applications under the Americans with Disabilities Act (ADA) and related state guidance, explaining that any materials the Board or plan sponsor posts on the website must be accessible to individuals with disabilities and compliant with applicable WCAG/ADA standards. She noted that the compliance deadlines outlined in the memorandum have been extended by approximately one year, giving the County and plan sponsor additional time to update their sites. The report emphasized that items such as charts, graphs, and other documents need to be coded or formatted so they can be accessed by users with visual impairments and other covered disabilities, and that non-compliance can expose public entities to legal challenges. Ms. Greenwood clarified that this issue primarily falls under the responsibility of the plan sponsor/County to update and maintain the website, and that no immediate action was required by the Board at this time, but Board members should remain aware that all publicly posted Board materials will need to meet ADA accessibility standards going forward.

Ms. Greenwood provided an informational reminder regarding Form 1 filing requirements for Trustees. She noted that the filing is due by July 1 and that Trustees should receive (or have received) electronic notice with a link to complete the form online. By following the link, prior information should self-populate based on past filings, making the process relatively straightforward. Ms. Greenwood emphasized that this filing obligation applies only to Trustees and encouraged them to complete and submit Form 1 by the deadline to remain in compliance with applicable ethics and disclosure laws.

ADMINISTRATOR REPORT: RANDY WHITTY

Mr. Whitty presented retirements in progress.

Mr. Whitty presented the annual newsletter, which will now be sent to both active employees and retirees. While the format remains largely the same, the content has been refined to better resonate with participants, including clearer explanations of plan features. New informational sections on the back page explain how the plan works and help active members understand their employment tier, with the overall goal of increasing plan awareness. The newsletter is expected to be mailed later this month along with benefit statements.

Mr. Whitty noted that the General Liability policy is up for renewal, noting a significant premium increase attributed by the carrier to a change in underwriting strategy for the State of Florida. The Board discussed the current coverage, the duration of the policy, and the process and effort required to obtain competitive quotes from alternative vendors. It was suggested that the Board consider engaging an insurance agent annually prior to renewal to shop coverage among larger carriers and ensure the Plan is receiving favorable terms.

Ms. Master made a motion to renew the General Liability policy. The motion was seconded by Ms. Alleyne 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 June 6, 2026. The motion was seconded by Mr. Acevedo and approved by the Trustees 4-0.

Mr. Acevedo made a motion to approve the Benefit Approvals dated June 6, 2026. The motion was seconded by Ms. Master and approved by the Trustees 4-0.

OTHER BUSINESS

There was no other business discussed.

BOARD MEMBER COMMENTS

Board members expressed appreciation for one another’s flexibility and contributions to the process, also thanking professionals and staff for their work. It was noted that some members would be attending the upcoming FPPTA conference, and there was discussion of broader concerns raised by the FPPTA regarding a proposed property tax measure on the November ballot and its potential impact on pension plans and public workers. The FPPTA's efforts to educate the public on these potential impacts were highlighted.

ADJOURNMENT

There being no further business and the next Quarterly Meeting being scheduled for Thursday, September 3, 2026.

Ms. Alleyne made a motion to adjourn the Meeting at 1:30. The motion was seconded by Ms. Master and approved by the Trustees 4-0.

Signed by:
Lisa Master
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Secretary

9/9/2026
Date