

**BOYNTON BEACH POLICE OFFICERS' PENSION FUND
MINUTES**

November 12, 2024

10:30 AM

The regular meeting of the Board of Trustees of the City of Boynton Beach Police Officers' Pension Fund was called to order on behalf of the Board by Chairman Jason Llopis on November 12th, 2024 at 10:30 AM. This meeting was held at Boynton Beach City Hall Commission Chambers 100 East Ocean Avenue, Boynton Beach, Florida.

TRUSTEES PRESENT:

Mr. Jason Llopis -Chairman

Mr. Brian McDeavitt-Trustee

Mr. Russell Faine-Trustee

Ms. Rachel Moccia-Trustee

Mr. Matthew Zeller – Trustee

TRUSTEES ABSENT:

None

OTHERS PRESENT:

Mr. Louis Penque – Plan Administrator

Ms. Bonni Jensen, Board Attorney – Klausner, Kaufman, Jensen & Levinson

Mr. Darrin Hogsed – Russell Investments

Mr. Frank Wan – Burgess Chambers & Associates

PUBLIC COMMENT:

None

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

The Board reviewed the Minutes from the Pension Meeting held on August 13th, 2024. Trustee Faine made a motion to approve the minutes, which was seconded by Trustee McDeavitt. All Trustees voted yes, and the motion was passed 5-0.

WARRANTS:

The Board reviewed Warrants 806 through 838. After review and consideration, Trustee McDeavitt made a motion to approve as presented, which was seconded by Trustee Moccia. All Trustees voted yes, and the motion was passed 5-0.

INVESTMENT REPORT:

Mr. Darrin Hogsed made the presentation to the Board on behalf of Russell Investments with a review of Q-4 for FY 23-24. Mr. Hogsed began by highlighting the performance of the Capital Market for the past quarter:

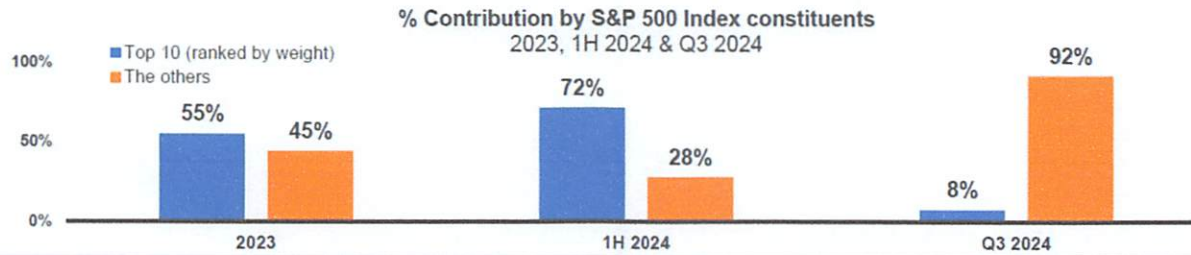
CAPITAL MARKETS Q3 2024:

- **U.S. equity** finished the quarter up as inflation eased, small cap outperformed large cap, and U.S. large value outperformed growth
- **Non-U.S. developed equity** finished the quarter up as inflation cooled, political concerns subsided, and central banks cut rates
- **Emerging markets** finished the quarter up as the Chinese government cut rates and introduced an aggressive stimulus plan
- **U.S. bonds** ended the quarter up after the Fed delivered a 0.5% rate cut. Government bonds and credit both performed well, and inflation moderated
- **Global REITs** finished Q3 up after the Fed cut rates in September by 0.5%
- **Infrastructure** rose in Q3 as expectations of additional rate cuts made capital-intensive projects more attractive

Mr. Hogsed then provided a review on the performance of Small Cap performance for the last quarter:

- U.S. large cap growth stocks led returns for the first half of the year driven by continued dominance from the "Mag 7"
- This trend reversed in Q3 as the market environment favored small cap, international and value stocks
- Maintaining diversification across size, region and style can help take advantage of these swings as they occur

Mr. Hogsed highlighted the performance of the S&P 500 over the past quarter:



- In Q3, 66% of constituents outperformed the S&P 500, a level not seen in over 2 years
- 72% of 1H 2024 performance was driven by the 10 largest index constituents
- Those same 10 stocks contributed just 8% to Q3 2024 performance, indicating broader market participation

Mr. Hogsed highlighted the performance of fixed income for the past quarter and how strong the performance was:

As of 9/30/2024	U.S. Aggregate	Municipal	Municipal High Yield	U.S. IG Corporates	Global High Yield	Emg Mkt Debt	U.S. Treasuries	U.S. Securitized
Yield (YTW)	4.2%	3.3%	5.2%	4.7%	7.3%	6.3%	3.8%	4.5%
Avg Coupon (%)	3.4%	4.6%	4.6%	4.3%	5.9%	5.0%	2.9%	3.3%
Duration (Yrs)	6.2	6.1	6.5	7.2	3.6	6.2	6.1	5.6

Q3 was a strong quarter for fixed income as every sector was up at least 2%.
This dynamic has occurred just 10% of the time over the last 25 years

Mr. Hogsed reviewed the fund's performance over the past quarter, which was slightly Trailing the benchmark:

Boynnton Beach Police Officers Retirement Trust - Composite Account - QU7W, QU7X

	Market Value	One Month	Three Months	Year to Date	FYTD 09/30	Annualized					Inception Date
						One Year	Three Years	Five Years	Ten Years	Since Inception	
Total Assets - Gross ⁽¹⁾⁽⁴⁾	\$99,641,615	1.45%	5.28%	13.93%	24.13%	24.13%	5.47%	7.96%	7.75%	7.22%	07/01/2002
Total Assets - Net ⁽²⁾⁽⁴⁾	99,641,615	1.41	5.17	13.57	23.60	23.60	4.94	7.34	7.03	6.47	07/01/2002
Russell Custom Benchmark ⁽¹⁾	--	1.67	5.42	13.83	23.79	23.79	5.61	8.17	7.72	7.06	--
Consultant Benchmark ⁽¹⁾	--	1.90	5.68	16.59	28.51	28.51	6.29	8.85	7.34	6.94	--
Total Assets ex Private Credit - Net ⁽³⁾	95,618,749	1.41	5.33	13.91	24.09	24.09	5.07	7.42	7.07	6.48	07/01/2002
Total Liquid Return Seeking	63,786,045	1.54	5.84	19.74	33.49	33.49	9.34	11.58	10.17	11.06	08/31/2012
Russell Invest R1000 Idx Fd - I (DB)	29,246,303	2.14	6.07	21.17	35.70	35.70	10.87	--	--	14.19	11/19/2020
Russell 1000 Index	--	2.14	6.08	21.18	35.68	35.68	10.83	--	--	14.15	--
Small Cap Fund	1,269,065	0.59	--	--	--	--	--	--	--	0.16	07/18/2024
Russell 2000 Index	--	0.70	--	--	--	--	--	--	--	-0.13	--
World Equity Fund	33,270,676	1.08	5.79	18.50	31.56	31.56	--	--	--	24.27	09/05/2023
MSCI World Net Dividend Index	--	1.83	6.36	18.86	32.43	32.43	--	--	--	24.60	--
Total Fixed Income	26,671,162	1.42	5.45	4.91	12.06	12.06	-1.84	0.59	2.28	4.11	09/01/2002
Bloomberg US Aggregate Bond Idx	--	1.34	5.20	4.45	11.57	11.57	-1.39	0.33	1.84	3.41	--
Multi-Manager Bond Fund	26,671,162	1.42	5.45	4.91	12.06	12.06	-1.84	0.59	2.28	4.08	09/30/2008
Bloomberg US Aggregate Bond Idx	--	1.34	5.20	4.45	11.57	11.57	-1.39	0.33	1.84	3.00	--

	Market Value	One Month	Three Months	Year to Date	FYTD 09/30	Annualized					Inception Date
						One Year	Three Years	Five Years	Ten Years	Since Inception	
Total Alternative Investments ^(A)	7,431,122	0.57	0.57	0.74	-0.90	-0.90	2.70	4.44	7.04	5.61	07/01/2006
Real Estate Equity Fund ^(A)	3,408,256	-0.21	-0.21	-1.24	-5.14	-5.14	0.78	3.26	6.44	5.48	07/01/2006
NFI-ODCE - RITC (Linked) ^(B)	--	0.25	0.25	-2.56	-7.27	-7.27	-0.18	2.94	6.21	5.40	--
Private Credit Fund I LLC ^(A)	4,022,866	1.46	1.46	3.77	7.94	7.94	--	--	--	3.11	09/01/2022
Bloomberg US Aggregate Bond Idx 3 mo lag	--	0.95	0.07	6.06	2.63	2.63	--	--	--	0.04	--

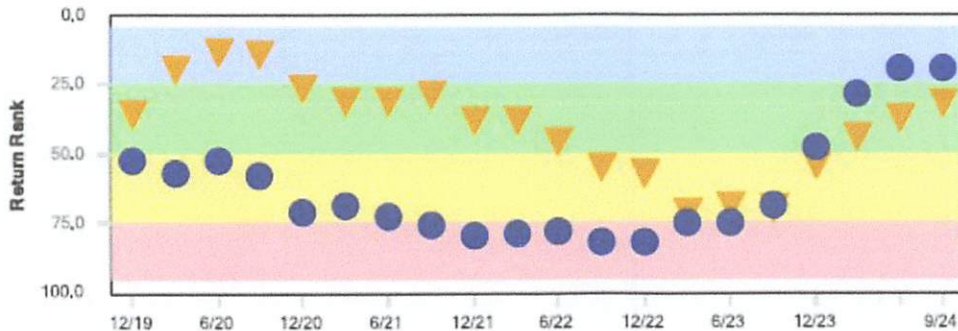
Mr. Hogsed advised the Board that Real Estate Equity Fund Manager, Western Asset Management Company, was terminated from their position. As Russell investments continues to sell off the Real Estate Equity Fund, the proceeds are being directed to the Small Cap Fund.

Mr. Hogsed recommended they transfer 5% of the holding of the World Equity Fund into the Small Cap fund.

At this time, Mr. Hogsed concluded his presentation and Mr. Wan began his presentation.

INVESTMENT MONITOR REPORT:

Mr. Frank Wan presented to the Board on behalf of Burgess Chambers & Associates. He began the report Highlighting the success of the Passive Fund performance. It has outperformed the benchmark over the past 2 years:



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	2 (10%)	2 (10%)	10 (50%)	6 (30%)
▼ Policy Benchmark	20	3 (15%)	11 (55%)	6 (30%)	0 (0%)

Mr. Wan highlighted the funds' performance and highlighted their positive performance. The fund currently ranks in the top 3rd percentile for their one-year Rate of Return for public pensions.

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	160,463,499	5.5 (47)	25.6 (3)	6.0 (19)	8.3 (54)
Policy Benchmark		5.8	22.9	5.4	8.7
Russell Trust Company Strategy	99,641,615	5.3	24.4	5.5	8.0
Russell 1000 Index Fund - SR I	29,246,303	6.1	36.1	11.0	N/A
Russell 1000 Index		6.1	35.7	10.8	15.6
Russell World Equity Fund (CF)	33,270,677	5.9 (54)	31.6 (44)	N/A	N/A
MSCI World All Cap Index (Net)		6.7	31.5	8.2	12.5
Russell Small Cap Fund	1,269,065	N/A	N/A	N/A	N/A
Russell 2000 Index		9.3	26.8	1.8	9.4
Russell Multi-Manager Bond (CF)	23,691,726	5.4 (17)	12.2 (58)	-1.9 (99)	0.6 (82)
Fixed Income Benchmark		5.2	11.6	-1.4	0.3
Russell Real Estate Equity (CF)	3,408,256	-0.3	-5.3	0.7	3.2
Real Estate Benchmark		0.2	-7.3	-0.2	2.9
Private Credit Fund I, LLC	4,022,866	1.5	7.9	N/A	N/A
Russell Private Credit Proxy Account	2,979,436	5.4	12.0	N/A	N/A
Blmbg. U.S. Aggregate Index		5.2	11.6	-1.4	0.3
Russell ST Inv Cash Sweep (CF)	1,753,286	0.0	0.0	0.1	0.4
ICE BofA 3 Month U.S. T-Bill		1.4	5.5	3.5	2.3
Salem Index Strategy	60,821,884	5.7	28.5	N/A	N/A
Fidelity 500 Index Fd (MF)	41,008,669	5.9	36.4	N/A	N/A
Russell 1000 Index		6.1	35.7	10.8	15.6
Vanguard Extended Market (ETF)	2,072,138	N/A	N/A	N/A	N/A
Russell 2500 Index		8.7	26.2	3.5	10.4
Fidelity US Bond Index (MF)	17,740,919	5.2	11.6	N/A	N/A
Fixed Income Benchmark		5.2	11.6	-1.4	0.3

Mr. Wan recommended not transferring additional funds from Russell Investments at this time. Mr. Wan advised the Board revisit performance in one year.

Mr. Wan did recommend the Board transfer one million dollars from the Fidelity 500 Index Fund to the Vanguard Extended Market (EFT)

At this time a motion was made by Trustee McDevitt to transfer 5% of Russell World Equity Fund to Russell Small Cap Fund, which was seconded by Trustee Moccia. All Trustees voted yes, and the motion was passed 5-0.

Trustee Zeller made a motion to transfer one million dollars from the Fidelity 500 Index Fund to the Vanguard Extended Market (EFT), which was seconded by Trustee Moccia. All Trustees voted yes, and the motion was passed 5-0.

For purposes of transparency please visit the following link to view the entire investment report.

[http://bbpdp.org/docs/investments/2018-09-30%20Boynton%20Beach%20Police%20\(Quarterly%20Report\).pdf#zoom=100](http://bbpdp.org/docs/investments/2018-09-30%20Boynton%20Beach%20Police%20(Quarterly%20Report).pdf#zoom=100)

ATTORNEY REPORT:

Ms. Jensen presented the Board with a memo for the New Florida Laws -Section 287.138 and 787.06 F.S.S.

The new law mandates all new contracts drafted by the Fund to vendors or investors must include two affidavits prohibiting Human Trafficking and attesting that the company is not an entity of a foreign country of concern.

PLAN ADMINISTRATOR REPORT:

Administrator Penque reported the following updates since the last Board meeting:

The Board was presented with a copy of the December special pay. The members' payments were reviewed and approved by Actuary Pete Strong

The notice of Chapter 185 money was received. This year will be \$1,187,462.00.

The City Pension Contribution was received \$8,516,480.00

The RMD annual review was completed, and all members are in compliance.

The Board was presented with a revised version of the SPD'S drafted in September 2024 by Actuary Pete Strong. After reviewing the revised SPD'S trustee Faine made a motion to accept the revised SPD'S. The motion was seconded by Trustee McDeavitt and passed without opposition 5-0

NEW/UNFINISHED BUSINESS:

Administrator Penque advised the Board he received a phone call from member Aaron Kromrey. Mr. Kromrey has been terminated by the City and requested a refund of his Buy-Back purchase monies. Mr. Kromrey has a pending Disability Pension case due to a job-related injury.

After lengthy discussion the Board concluded Mr. Kromrey would have to request 100% of his Pension Contributions refunded in order to receive his Buy-Back purchase monies. This request would make Mr. Kromrey ineligible for the Disability Pension. Administrator Penque advised the Board he would phone Mr. Kromrey after the meeting and advise him of the Board's findings.

Administrator Penque advised the Trustees he will notify them after that discussion takes place.

Administrator Penque advised the Board there was an issue with reconciling the DROP LOAN ROLL FORWARD REPORT. Administrator Penque requested the assistance of the fund's Bookkeeper. This additional work is outside the Bookkeeper's PSA and will result in an additional fee of less than \$500.00 to review and reconcile the report for the auditors. The Board approved the request without any opposition

ADJOURN:

The meeting was adjourned at 11:56 AM.

Next Regular Scheduled Meeting: February 11, 2025, at 10:30 AM.



Jason Lippis, Chairman
FOR THE BOARD