TOWN OF PALM BEACH
Investment Advisory Committee

MINUTES OF THE INVESTMENT ADVISORY COMMITTEE MEETING HELD ON

FRIDAY, MAY 16, 2025, AT 2:30 P.M.

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee Meeting was called to order on Friday, May 16, 2025, at 2:31 pm in the Town Council Chambers. In attendance were Vice Chairman Anderson, and Committee Members de Sanctis, and McAdams. Staff present was Melissa Ladd, Controller. Chairman Storkerson and Committee Member Geddes were absent.

II. PLEDGE OF ALLEGIANCE

Vice Chairman Anderson led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Motion was made by Vice Chairman Anderson, seconded by Committee Member McAdams, to approve the agenda as presented. The motion carried unanimously, 3-0.

IV. COMMUNICATION FROM CITIZENS

No one indicated a desire to speak.

V. APPROVAL OF MINUTES

Motion was made by Committee Member McAdams, seconded by Committee Member de Sanctis, to approve the minutes of the March 21, 2025, meeting as presented. The motion carried unanimously, 3-0.

VI. MARINER – [Dave West, CFA, Mariner]

a. QUARTERLY PERFORMANCE REPORT

Mr. West provided an overview of the market and spoke regarding the rebalancing of the assets that had been done recently. He spoke regarding the value of the dollar worldwide due to the recent volatility and addressed the Treasury Yield Curve, especially the longer term. He stated that the program has managed well during the recent market conditions.

Mr. West provided information on the asset allocation and performance and stated that despite the minor negative numbers, the fund held up well during the recent volatility. He stated that the fund is slightly behind the fund policy, specifically in the international equity fund, Pear Tree Polaris Foreign Value Fund. He recommended that he return to the Committee at the next meeting with a potential replacement for that fund. He explained the research process in response to a question. He highlighted the performance of the Real Estate Fund and Intermediate Bond Funds.

Mr. West stated that the portfolio market value ended on April 30 at $43,128,439. Discussion ensued on his recommendation about replacing the Value Fund.

Please note: The following item was heard out of order of the agenda:

VII. PFM ASSET MANAGEMENT – [Matt DiNallo, PFM Asset Management]

b. QUARTERLY PERFORMANCE REPORT
c. BENCHMARK COMPARISON

Mr. DiNallo provided an overview of the market since the beginning of the year. He spoke regarding consumer sentiment, especially in light of the tariffs. He stated that consumer spending does not necessarily reflect consumer sentiment. He spoke regarding the history of the effective tariff rate and stated that the current tariff rate is at a rate that is on par with the 1930s-40s. He spoke regarding the impact of the effective rate of tariffs on inflation and the rate of growth. He spoke regarding the Core CPI and Unemployment Rate and all of these impacting the Federal Reserve's course of action. He stated that the forecast is two rate cuts for the year. He presented the U.S. Treasury yield curve during the quarter. He presented the portfolio snapshot and stated that it is an AA-rated portfolio. Discussion ensued on the potential impacts of the tariffs on the different sectors. He stated that the sector allocation and maturity are in compliance. He spoke regarding the quarterly portfolio performance and an overview of the benchmark comparisons.

VIII. MARCH INVESTMENT REPORT [Melissa Ladd, Controller]

Ms. Ladd provided an overview of the March Investment Report. She reported that the total amount invested was $228,771,082 and fiscal year-to-date returns are $4,705,115.

IX. QUARTERLY REPORT FOR OVERSIGHT OF ONE-CENT SURTAX [Melissa Ladd, Controller]

Ms. Ladd presented the quarterly report and stated that the amount collected for the first two quarters for the fiscal year is $365,406 and the total received has been approximately $5.8 million since 2017 when the sales tax was enacted. She spoke regarding the revenue going towards the undergrounding project. She stated that it is anticipated that this revenue source will end in December of 2025. Discussion ensued regarding funding street repaving.

X. OPEB TRUST FINANCIAL REPORT - [Melissa Ladd, Controller]

Ms. Ladd presented the March 31, 2025, report of the OPEB Trust and reported that the statement of net assets held in trust for retiree health benefits is $43,229,876. The statement of changes in net assets shows a total addition of $1,075,733 and total deductions of $1,611,617, with a net decrease of $535,884. She stated that the majority of the decrease is due to unrealized losses and higher health care costs for retirees. She spoke regarding the quarterly transfer and reported that the quarterly cash flow report shows an estimated ending cash balance of $220,739 as of June 30.

XI PROPOSED MEETING SCHEDULE

a. NEXT MEETING: FRIDAY, SEPTEMBER 19, 2025, AT 2:30 PM

XII. ANY OTHER MATTERS

There were no other matters.

XIII. ADJOURNMENT

Motion was made by Vice Chairman Anderson, seconded by Committee Member de Sanctis, to adjourn the Investment Advisory Committee meeting at 3:10 pm. The motion carried unanimously, 3-0.

Respectfully Submitted,

Chris Storkerson,
Chairperson

Meeting audio is located at:
https://palmbeachfl.portal.civicclerk.com/event/143/media