TOWN OF PALM BEACH

Minutes of the Investment Advisory Committee Meeting
Held on September 19, 2025

CALL TO ORDER AND ROLL CALL

Mr. Storkerson, Chairman
Ms. Kathleen Anderson, Vice Chairman
Mr. Laurence Austin
Ms. Jacqueline de Sanctis
Mr. Lloyd McAdams (ABSENT)

Staff Members present were:

Robert Miracle, Deputy Town Manager

PLEDGE OF ALLEGIANCE

Mr. Storkerson led the Pledge of Allegiance.

ELECTION OF CHAIR AND VICE CHAIR

A motion was made by Ms. de Sanctis and seconded by Mr. Austin to nominate Mr. Storkerson as Chair.

A motion was made by Ms. de Sanctis and seconded by Mr. Austin to nominate Ms. Anderson as Vice Chair.

A motion was made by Ms. de Sanctis and seconded by Ms. Anderson to accept Mr. Storkerson as Chair. The motion was carried unanimously, 4-0.

A motion was made by Ms. de Sanctis and seconded by Mr. Austin to accept Ms. Anderson as Vice Chair. The motion was carried unanimously, 4-0.

MINUTES

1. Minutes from May 16, 2025 Meeting

A motion was made by Ms. de Sanctis and seconded by Ms. Anderson to approve the Minutes of the May 16, 2025 meeting. The motion was carried unanimously, 4-0.

APPROVAL OF AGENDA

A motion was made by Ms. Anderson and seconded by Mr. Austin to approve the agenda as presented. The motion was carried unanimously, 4-0.

COMMENTS

2. OFFICIALS

   No one indicated a desire to speak.

3. STAFF

   Mr. Miracle welcomed Mr. Austin to the Board.

4. PUBLIC - 3 MINUTE LIMIT

   No one indicated a desire to speak.

GENERAL BUSINESS

5. Mariner Quarterly Performance Report - Dave West

Mr. West stated his intention to provide an overview of the Flash Report. He spoke regarding tariffs and their implementation and impact on large and small businesses. He spoke in particular about two small businesses that have been negatively impacted by the tariffs. In response to a question from Ms. Anderson, he spoke regarding the uncertainty that is showing in the markets due to the tariffs. He spoke regarding the slowing of the economy, including jobs, and the reduction of rates from the Fed and the bond market. He spoke regarding the money market yields reducing due to the Fed's rate reduction and responded to a question from Ms. Anderson about the current percentage rate. He provided an overview of the index fund and spoke regarding the fixed income bond yields. He spoke regarding the changes in currency and the impact on foreign investments.

He presented his recommendation for an asset allocation adjustment. He spoke regarding the returns of the Domestic Equity Fund. He explained the yields available for the next 30 years and explained how the yields justify the reallocation. He stated that his recommendation is to pull 3%, approximately $1.4 million, out of the current domestic equity fund and to reallocate it to the Galliard Intermediate Bond Fund and PIMCO. Ms. Anderson expressed concern over the financial issues of other countries that are associated with PIMCO, to which Mr. West responded. Discussion ensued. Mr. Storkerson raised a question regarding the current cash allocation, to which Mr. West responded. Discussion ensued regarding the cash allocation and fixed income allocations. Further discussion ensued on the proposed recommendation.

A motion was made by Mr. Austin and seconded by Ms. de Sanctis to pull 3% out of the Domestic Equity Fund. The motion was carried unanimously, 4-0.

A motion was made by Ms. Anderson and seconded by Mr. Austin to accept Mr. West's recommendation to split the reallocated money between the Galliard Intermediate Bond Fund and PIMCO. The motion was carried unanimously, 4-0.

Mr. West reported that the total fund year-to-date rate of return is 8.55%, which is above the policy benchmark.

Mr. West spoke regarding Peartree and the research that they have been doing on the active manager. He explained the impact of geopolitical issues of the various countries on the fund. He stated that there are no recommendations for change at this time.

He provided an overview of the summary cash flow for the year. He stated that the ending balance is $46,058,866.

6. July Investment Report - Melissa Ladd, Controller

   Ms. Ladd reported that the total amount invested as of July 31, 2025, was $234,224,454 with a fiscal year return of $7,950,409. She stated that August has not been approved yet, but it is around $9 million.

   Ms. Anderson inquired about the returns for the money market, to which Ms. Ladd responded.

7. Quarterly Report for the Oversite of One-Cent Surtax - Bob Miracle, Deputy Town Manager

   Mr. Miracle presented an overview of the 1% surtax revenue. He stated that through August 2025, the amount that has been received is $787,336.35 for the fiscal year and $6,216,140.62 since 2017. He stated that when the voters approved the sales tax, there was a maximum total estimate of what was going to be collected, but the revenue has exceeded expectations. He stated that the sales tax will expire on December 31, 2025, because it has almost reached the maximum. He explained that Palm Beach County is working with a vendor on a master transportation plan for the County. He stated that the Town will be assisting them with engaging with residents on obtaining input and providing information on the transportation plan. He answered questions regarding the expansion of the sales tax. Discussion ensued on the varying transportation needs and methods to alleviate traffic congestion throughout the County.

8. PFM Asset Management Quarterly Performance Report - Matthew Dinallo

   Mr. Dinallo presented an overview of the Fed's dual mandate and the rate of inflation and the unemployment rate. He spoke regarding the Fed's research on tariffs and the impact on job growth and the Fed's comments on unemployment rate and job growth. He stated that there are more workers than job openings and stated that individuals are not moving out of their jobs. Mr. Dinallo responded to questions from Board members regarding the job numbers and reports. He spoke regarding the current tariff rates and a recent Federal Appeals Court decision regarding tariffs that have been imposed. He also spoke regarding the impact on the federal reconciliation bill, including adding $3.3 trillion to the deficit. He stated that Moody's has downgraded the US treasury bond rating but stated that U.S. treasuries have a stable outlook. He spoke regarding anticipated Fed rate activity and the U.S. Treasury yield curve and explained further information on the bond market.

He provided an overview of the Town's portfolio summary. He spoke regarding the rates of return and stated that the portfolio is AA rated. He spoke regarding the reallocation that occurred in March, which resulted in a return of 6% in bonds. He reported that the Town has earned $6.1 million in returns from bonds over the past 10 years. He answered questions on the bond market. Discussion ensued on the auto loan market.

9. OPEB Trust Financial Report - Melissa Ladd, Controller

Ms. Ladd reported that the statement of net assets held in trust as of June 30, 2025 is a little over $45 million with a change of net assets of $3,871,112 in additions and $2,342,734 in deductions for a net increase of $1,528,379. She stated that the cash flow through June 30 is shown at $700,000 with an estimated cash balance of $59,159. In response to questions from Chair Storkerson, Mr. Miracle discussed a recent increase in high-cost claims.

ANY OTHER BUSINESS

No other business was discussed.

MEETING SCHEDULE

10. The next meeting is scheduled for Friday, November 14, 2025 at 2:30PM

ADJOURNMENT

A motion was made by Mr. Storkerson and seconded by Ms. Anderson to adjourn the meeting at 03:58 PM. The motion was carried unanimously, 4-0.

Respectfully Submitted,

Kathleen M Anderson Vice Chair

Chris Storkerson, Chair

Meeting audio is located at: https://palmbeachfl.portal.civicclerk.com/event/159/media