TOWN OF PALM BEACH

Minutes of the Retirement Board of Trustees Meeting
Held on November 14, 2025

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 09:00 AM in the Town Council Chambers.

Members Present: Bob Miracle, Jason Debrincat, Joseph Birch, C. Edward Carter, Daniel Stanton, Thomas Parker

Members Absent: David Lambert, John Copeland

Members Excused: Michael Marx

PLEDGE OF ALLEGIANCE

Chair Stanton led the Pledge of Allegiance.

MINUTES

1. Approval of Minutes from September 29, 2025 Meeting

A motion was made by Mr. Carter and seconded by Deputy Town Manager Miracle to approve the minutes of the September 29, 2025 meeting as presented. The motion was carried unanimously, 6-0.

APPROVAL OF AGENDA

A motion was made by Mr. Carter and seconded by Mr. Debrincat to approve the agenda as presented. The motion was carried unanimously, 6-0.

COMMENTS

2. OFFICIALS

3. STAFF

Mr. Miracle updated the Board regarding four (4) Public Safety employees who were in the DROP and an Ordinance which was adopted on Second Reading at Tuesday's Town Council meeting.

4. PUBLIC - 3 MINUTE LIMIT

GENERAL BUSINESS

5. Annual Report
   Karen Russo, Salem Trust

Karen Russo, Salem Trust, gave an update on the accounts held in Salem Trust. She spoke regarding transfers and the authorized signers on file. She spoke regarding any monetary requests being required to be encrypted. She reported that the annual contribution occurred on October 1 and $60,672,401 was posted into the mutual fund account. In response to questions from Board members.

6. Quarterly Financial Report and Disbursements
   Melissa Ladd, Controller

Melissa Ladd, Controller, reported that for fiscal year ended September 30, 2025, net assets held in trust were $330,027,072. She reported that the total disbursements from August 9-October 31, 2025 was $677,953. Ms. Ladd and Mr. Miracle answered questions.

A Motion was made by Mr. Carter and seconded by Mr. Miracle to approve the quarterly financial report and disbursement schedule. The motion was carried unanimously, 6-0.

7. Investment Review
   Dave West, CFA, Mariner

- Attribution and Recommendations
- Quarterly Review (September 2025)
- Market Value Update
- Investment Policy Statement (Amended for 215.4725)

Mr. West provided an overview of the performance of the portfolio over the fiscal year. He spoke regarding the success of the asset allocation strategy for the portfolio. He spoke regarding the Federal Reserve rate cuts, the liquidity circumstances of the marketplace, 88% of companies reported positive earnings, and momentum remained positive. He spoke regarding the softening of the labor market and the impact of tariffs.

He reported on the asset allocation and stated that the net rate of return was 11.5%, with domestic and international equity and private debt performing exceptionally well. He spoke regarding underperformers, specifically the S&P Vanguard Institutional Index Fund. He addressed the underperformance of Garcia Hamilton and Pear Tree funds. Mr. Stanton requested that he look at other fixed income managers that might be better suited for the portfolio, to which Mr. West stated that they would conduct a manager review.

He reported on the cash flow for the fund and stated that the Market Value of the fund as of 09/30/2025 was $325,145,268. Discussion ensued regarding the contribution from the Town.

Mr. West spoke regarding the flash report he had distributed and reported on liquid and money market funds. He stated that there is roughly $50 million in liquid reserves and he stated that his only recommendation for the asset allocation is to closely monitor the rates for the money market funds due to the Fed rate cuts.

Mr. West spoke regarding the investment policy review and stated that there is language that has been added to the policy as a result of a mandate from the State of Florida. He requested that the Board approve this change.

A motion was made by Mr. Parker and seconded by Mr. Miracle to make the change to the investment policy as presented by Mr. West. The motion passed unanimously, 6-0.

8. Administrator's Report
Edemir Estrada, GRS

Ms. Estrada reported on a meeting between GRS and the Town on employee engagement and communication. She spoke regarding an action plan that was compiled by GRS, including additional GRS staff to assist Town employees, education sessions, service purchase calculations, improved forms and explanations of forms.

Ms. Estrada spoke regarding a new summary of contact with employees and new information that will be included in the administrator's report. She reported that there are currently 20 DROP participants, 330 active members, 423 retirees and 2 members who passed away in the month of September.

A motion was made by Mr. Carter and seconded by Mr. Miracle to approve the Administrator's Report. The motion passed unanimously, 6-0.

Mr. Miracle spoke regarding the response from GRS in reply to a question from Chair Stanton.

Ms. Estrada spoke regarding the auditors presenting the audit at the May meeting rather than in March, which is the usual meeting. Mr. Miracle provided additional information on this change.

Mr. Parker inquired if it would be possible for him to attend the employee education sessions, to which Mr. Miracle responded.

9. Software Services – Benefit Calculator Enhancement with Service Purchase Estimator
Valmiki Ramsewak, GRS

Mr. Ramsewak provided an overview of a calculator for purchasing additional service. Mr. Miracle provided additional information on the benefit of this tool to the Town's employees.

A motion was made by Mr. Carter and seconded by Mr. Debrincat to accept the software services as presented. The motion passed unanimously, 6-0.

10. Assumption Study and Experience Investigation Report for the Period 2017-2024
Pete Strong, GRS

Mr. Strong provided background on the Experience Investigation Report and explained exposures and experience. He spoke regarding mortality rates and stated that the Florida Retirement System applies to all municipal plans in the State. He spoke regarding salary increase assumptions and spoke regarding recommended changes to the assumptions for salary increase rates. He addressed changes in the assumption for retirement rates and separation rates. He spoke regarding turnover and changing the table to service-based for turnover rates, especially for Police and Fire. He spoke regarding recommended changes to the disability rates and explained the life expectancy tables. He spoke regarding the investment return assumptions and explained the process for this study. He outlined their recommendations for future salary increase assumptions, assumed rates of retirement, separation rates, disability rates for general employees, and mortality changes that are State-mandated. He stated that the overall impact on funded ratio is 73.0% (0.8% decrease). Mr. Stanton expressed concern that the recent years' performance didn't have a more positive impact on the funded ratio, to which Mr. Strong replied and stated that the most current years' numbers aren't included in this study. Discussion ensued. Mr. Strong spoke regarding the most important assumptions for pension plans, which are investment return assumption and mortality rates in response to a question from Mr. Parker. He explained the assumption process. Mr. Miracle spoke regarding the decrease in turnover rate for public safety since changes were made last year.

A motion was made by Mr. Carter and seconded by Mr. Parker to accept the Assumption Study and Experience Investigation Report for the period 2017-2024. The motion passed unanimously, 6-0.

Chair Stanton emphasized the importance of keeping the course of what the Retirement Board and the Town Council has been doing in regard to the Pension Plan.

11. Attorney's Report
Janice Rustin, Attorney, LLW

11.1 Board's Report on Policies on Decision Making and Fiduciary Standards for December 2025

Ms. Telsula C. Morgan, Senior Attorney, Lewis, Longman, Walker presented the Attorney's Report on behalf of Ms. Janice Rustin. She spoke regarding a State requirement that local pension plan boards must submit a report every two years to the State that describes its policy regarding decision-making and voting in adherence to fiduciary standards.

A motion was made by Mr. Carter and seconded by Mr. Miracle to approve the Board's Report on Policies on Decision Making and Fiduciary Standards and direct Ms. Estrada to submit the Report and the most recent investment policy to the State. The motion passed unanimously, 6-0.

ANY OTHER BUSINESS

MEETING SCHEDULE

The Board agreed to begin future meetings at 9:30 a.m.

12. Proposed 2026 Meeting Schedule:

- Friday, March 6, 2026
- Friday, May 15, 2026
- Friday, August 21, 2026
- Friday, November 13, 2026

Mr. Miracle spoke regarding the proposed 2026 meeting schedule. He proposed a new time of 9:30 a.m. for the Retirement Board meetings. Discussion ensued.

ADJOURNMENT

A motion was made by Mr. Carter and seconded by Mr. Parker to adjourn the meeting at 11:02 a.m. The motion was carried unanimously, 6-0.

Respectfully Submitted,

Thomas Parker 3-6-26

Thomas Parker, Secretary