



MINUTES OF THE SUPPLEMENTAL PENSION BOARD CITY OF HUNTINGTON BEACH

Thursday, February 28, 2023
10:00 am – 11:00 am
Via Zoom Teleconference

CALL TO ORDER

The meeting was called to order at 10:06 am.

ROLL CALL

Present: Ms. Alisa Backstrom, City Treasurer
Ms. Sunny Han, Acting Chief Financial Officer
Mr. Travis Hopkins, Assistant City Manager

Guests: Ms. Lily Guerrero, City of Huntington Beach
Ms. Veronica Navarro-Martinez, City of Huntington Beach
Ms. Joyce Zacks, City of Huntington Beach
Mr. Darren Stewart, Benefit Financial Services Group (“BFSG”)
Ms. Antonia Lipovac, BFSG
Mr. Rick Rosenthal, US Bank

PUBLIC COMMENTS

None

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed and unanimously approved the minutes of the regular meeting held on October 26, 2023, with no revisions.

REQUEST TO MODIFY BENEFIT

The Board noted there are two individuals requesting a modification to their benefit from the Supplemental Retirement Plan (“the Plan”). After further discussion, the Board agreed with the legal opinion provided. While a beneficiary can be changed, the benefit amount would remain the same based on the participants date of retirement. The Board will schedule a special meeting to issue its decision.

BFSG PORTFOLIO REVIEW

The Board received and filed the Retirement Plan Quarterly Investment Review (the “Report”) for the quarter ending December 31, 2023. BFSG provided a brief overview of economic and market conditions as they related to the performance of the Supplemental Retirement Plan (the “Plan”) investments.

As of December 31, 2023, it was noted that the portfolio fell within the ranges set forth in the Investment Policy Statement (“IPS”). It was noted that the portfolio maintained a slight underweight allocation to fixed income, an overweight allocation to domestic equity, particularly within the large-cap sector, and held no exposure to commodities, all of which proved beneficial during the fourth quarter.

There were no fund changes made in the fourth quarter.

As of December 31, 2023, the portfolio outperformed its custom passive benchmark across the 5-, and 10-year periods noted in the Report.

U.S. BANK PORFOLIO REVIEW

The Board received and filed U.S. Bank's Portfolio Review for the period ending December 31, 2023. As of the end of the quarter, the portfolio value was \$67.3 million consisting of 55.5% equity, 41.2% fixed income, 2% real estate, and 1.3% cash.

It was noted that the team is currently in the process of merging with PFM and HighMark, where there will be a reassessment of the investment platform. While no allocation adjustments are expected presently, it was noted that DoubleLine has been replaced by Dodge & Cox Income since the close of the year. The decision to replace DoubleLine was influenced by its underperformance during the fourth quarter, during which the fund lagged its benchmark. At the close of the quarter, the fund constituted 4.9% of the portfolio.

ADJOURNMENT

With no further issues to discuss the meeting was adjourned at 10:45 am. The next meeting is scheduled for May 9, 2024.