



## MINUTES OF THE SUPPLEMENTAL PENSION BOARD CITY OF HUNTINGTON BEACH

Thursday, May 9, 2024  
10:00 am – 11:00 am  
Via Zoom Teleconference

### **CALL TO ORDER**

The meeting was called to order at 10:05 am.

### **ROLL CALL**

Present: Ms. Alisa Backstrom, City Treasurer  
Ms. Sunny Han, Acting Chief Financial Officer

Absent: Mr. Travis Hopkins, Assistant City Manager

Guests: Ms. Marissa Sur, City of Huntington Beach  
Mr. Darren Stewart, Benefit Financial Services Group (“BFSG”)  
Ms. Antonia Lipovac, BFSG  
Mr. Rick Rosenthal, US Bank  
Mr. Tim Banach, US Bank  
Mr. Keith Stribling, US Bank

### **PUBLIC COMMENTS**

None

### **APPROVAL OF PRIOR MEETING MINUTES**

The Board reviewed and approved the minutes of the regular meeting held on February 28, 2024, with no revisions.

### **ASSET ALLOCATION REVIEW**

BFSG reviewed the current asset allocation of the Plan and brought an analysis for the Board to consider several alternative asset allocations. The analysis utilized JPMorgan’s most recent capital market assumptions to estimate expected returns and volatility. It was noted that the largest change in the alternative allocations was an increase in real estate and a decrease in equities. After discussion, the Board agreed to maintain the current Target Asset Allocation as it was uncomfortable placing such a large weighting in a non-diversified asset class.

### **BFSG PORTFOLIO REVIEW**

The Board received and filed the Retirement Plan Quarterly Investment Review (the “Report”) for the quarter ending March 31, 2024. 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 March 31, 2024, the portfolio fell within the asset allocation ranges set forth in the Investment Policy Statement (“IPS”). It was noted that the portfolio maintained a slight underweight to fixed income and a slight overweight allocation to domestic equity. The portfolio also held no exposure to commodities.

It was noted that DoubleLine was replaced by Dodge & Cox Income during the quarter.

As of March 31, 2024, the portfolio outperformed its custom passive benchmark across the 5- and 10-year periods noted in the Report but slightly trailed on a 3-year basis.

### **U.S. BANK PORFOLIO REVIEW**

Mr. Rosenthal is leaving US Bank and will be replaced by Mr. Stribling on the Plan.

The Board received and filed U.S. Bank's Portfolio Review for the period ending March 31, 2024. As of the end of the quarter, the portfolio value was \$70.1 million consisting of 57.3% equity, 39.7% fixed income, 2% real estate, and 1.1% cash.

Mr. Stribling will be considering an alternative REIT fund and looking at a few potential infrastructure focused funds for the Plan. He noted he would remain within the current IPS parameters and didn't see any other significant changes.

### **ADJOURNMENT**

With no further issues to discuss the meeting was adjourned at 10:52 am. The next meeting is scheduled for August 6, 2024.