

**ROCKLEDGE FIRE EMPLOYEES' RETIREMENT BOARD  
ROCKLEDGE GENERAL EMPLOYEES' RETIREMENT BOARD  
ROCKLEDGE POLICE EMPLOYEES' RETIREMENT BOARD  
JOINT QUARTERLY MEETING MINUTES**

**Friday, November 22, 2019**

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**CALL TO ORDER**

The Rockledge General Employees' Retirement Board, Rockledge Fire Employees' Retirement Board, and Rockledge Police Employees' Retirement Board met in joint quarterly session on Friday, November 22, 2019 in the Council Chamber of Rockledge City Hall, 1600 Huntington Lane, Rockledge, Florida.

**General Employees' Retirement Board**

MEMBERS PRESENT: David Henderson, Chairman/City Manager Representative  
Corey Harris, Support Staff Representative  
Michael Jarusiewicz, Public Works Representative  
Tanya Molony, Citizen Representative  
Brian Laughlin, Citizen Representative

**Fire Employees' Retirement Board**

MEMBERS PRESENT: Jephtha Sunday, Chairman/Fifth Member (Tardy)  
Mike McCaleb, Fire Representative  
Ed Syfrett, Fire Representative  
Tim Matson, Resident Representative  
John Mulkey, Resident Representative

**Police Employees' Retirement Board**

MEMBERS PRESENT: Joseph LaSata, Resident Representative  
Hal Burke, Fifth Member  
Christopher Crawford, Police Representative  
David Grose, Police Representative

MEMBERS ABSENT: Rick Burke, Chairman/Resident Representative (excused)

**Staff/Consultants:** Pedro Herrera, Board Attorney – Sugarman & Susskind\*  
Tyler Grumbles, Investment Advisor – AndCo Consulting  
Joe Ivaszuk, Research Analyst – AndCo Consulting  
Chad Little, Actuary – Freiman Little Actuaries  
Mindy Johnson, Custodian – Salem Trust Company  
Karan Rounsavall, Retirement Plan Administrator  
Brenda Fettrow, City Manager  
Matthew Trine, Assistant City Manager/Finance Director

\* Attorney Herrera attended the meeting remotely via video conferencing (Skype)

Chairman Henderson called the General Employees' Retirement Board meeting to order at 9:05 a.m. Member Syfrett called the Fire Retirement Board meeting to order

and Member Crawford called the Police Retirement Board meeting to order. A quorum was in attendance for all boards.

## **APPROVAL OF MINUTES**

All: Quarterly meeting of August 23, 2019

*On behalf of the General Employees' Retirement Board, Member Laughlin moved to approve minutes for the August 23, 2019 quarterly meeting as submitted. Member Harris seconded the motion and it carried.*

*As to the Fire Retirement Board, Member Mulkey moved to approve minutes for the August 23, 2019 quarterly meeting as submitted. Member McCaleb seconded the motion and it carried on an all yes vote.*

*Likewise, for the Police Retirement Board, Member Grose moved to approve minutes for the August 23, 2019 quarterly meeting as submitted. Member Burke seconded the motion and it carried unanimously.*

## **OLD BUSINESS**

All: Status of restatements for the respective retirement plans

Plan Administrator Rounsavall advised that the restatement ordinance for each of the Rockledge Retirement Plans was presented to the Rockledge City Council for first reading on November 20, 2019. Public hearing and adoption were scheduled for December 4, 2019.

All: Reconsideration of plan amendment to allow cross credit for vesting purposes only between the Rockledge Retirement Plans

The subject of cross credit was discussed multiple times in the past few years, but no action was ever taken. At the last quarterly meeting, Attorney Ken Harrison mentioned a potential vulnerability in the Police Retirement Plan involving this matter and encouraged the joint boards to give it serious consideration. Police Trustee LaSata felt that there would be more situations in the future an employee changed from one retirement plan to another (e.g. someone hired as a dispatcher in the General Retirement Plan becoming a police officer in the Police Retirement Plan).

Because there would be discussion involving the employment history of a long-time employee in the Police Department, Plan Administrator Rounsavall recommended that the matter be tabled until the February 2020 meetings when the retirement boards would meet separately.

*General Employees' Retirement Board Member Laughlin moved to table to the February 21, 2020 meeting as recommended. Member Harris seconded the motion; it carried.*

*Fire Retirement Board Member Matson likewise moved to table discussion on cross credit to the February 21, 2020 meeting as recommended. The motion was seconded by Member McCaleb and carried unanimously.*

*Police Retirement Board Member Grose moved to table to the February 21, 2020 quarterly meeting as recommended. Member LaSata seconded the motion; it carried.*

Chairman Sunday (Fire Retirement Board) arrived at 9:17 a.m.

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General: Ordinance clarifying appointment of resident and participant trustees and establishing staggered terms going forward

General Retirement Board members were in receipt of a proposed ordinance clarifying the trustee appointment process and establishing staggered terms effective with appointments in January 2020. Staggering of terms would be implemented by appointing one resident trustee and one participant trustee for two-year terms with the other three trustees being appointed for four-year terms. At the end of the two-year terms, all trustees would be appointed for four-year terms.

Member Harris of the General Retirement Board felt that staggered terms were a good idea for each retirement board as it ensured a continuity of experience and eliminated the possibility that an entirely new board could be appointed in any given year.

*Fire Retirement Board* Agreeing that staggered terms were a good idea, Member Mulkey moved to direct the attorney to prepare an amendment to the plan document to introduce two and four-year staggered terms in 2020 and further to direct the actuary to prepare a statement of no impact to accompany the ordinance. Member McCaleb seconded the motion which carried on an all yes vote.

*Police Retirement Board* Member LaSata also moved to direct the attorney to prepare an amendment to the plan document to introduce two and four-year staggered terms in 2020 and further to direct the actuary to prepare a statement of no impact to accompany the ordinance. Member Burke seconded the motion which carried unanimously.

The subject ordinances would be presented to City Council for first reading on December 4, 2019.

Fire: Ordinance implementing legislative mandates as to presumption that a diagnosis of certain cancers was incurred in the line of duty for disability and death benefit purposes and providing for purchase of credited service for prior fire service

Fire Retirement Board members were in receipt of the proposed ordinance.

*Member McCaleb moved to approve the ordinance as presented and to forward same to City Council (along with impact statement) for consideration. Member Syfrett seconded the motion; it carried.*

The ordinance would be sent to City Council for first reading on December 4, 2019.

Police Ordinance providing for purchase of credited service for prior law enforcement service

Board members were in receipt of the proposed ordinance to allow the buyback of credited service for prior law enforcement service as well as prior military service (currently allowed). The combined total of any prior service purchased could not exceed five years cumulative.

*Member Grose moved to approve the ordinance as presented, to direct the actuary to prepare an impact statement and to forward same to City Council for consideration. Member Burke seconded the motion and it carried with Member LaSata voting no.*

Fire & Police: Board policy allowing 90 days for a member to commence payments following receipt of actuarial buyback calculations for prior service

A draft policy was not available. *The matter was deferred to the next quarterly meeting.*

## **NEW BUSINESS**

All: Discuss proposed schedule for quarterly meeting dates in 2020

Friday, February 21, 2020

Friday, May 22, 2020 – joint meeting beginning at 9:00 a.m.

Friday, August 21, 2020

Friday, November 20, 2020 – joint meeting beginning at 9:00 a.m.

Chairman Henderson (General Retirement Board) was of the understanding that the starting time for separate meetings of the General Retirement Board was to be scheduled for 3:00 p.m. to accommodate his work schedule. Knowing that all trustee terms expired in January 2020, City Manager Brenda Fettrow stated that it was not yet possible to know who would be appointed to each retirement board.

General Retirement Board Member Harris moved to accept the proposed meeting schedule for 2020 and to set a 3:00 p.m. starting time for separate meetings in February and August. Member Laughlin seconded the motion; it carried unanimously.

Police Retirement Board Member Grose moved to accept the proposed meeting schedule for 2020 and to set a 1:00 p.m. starting time for separate meetings in February and August. Member Burke seconded the motion; it carried unanimously.

Fire Retirement Board Member McCaleb moved to accept the proposed meeting schedule for 2020 and to set a 9:00 a.m. starting time for separate meetings in February and August. Member Matson seconded the motion; it carried unanimously.

All: Appoint fifth member for a four-year term expiring January 2024

Pursuant to the respective plan documents for each retirement board, the “fifth” member was appointed by a majority of the other four members. The appointment was then confirmed by the City Council as a ministerial duty.

General Retirement Board Member Harris moved to reappoint Tanya Molony as the fifth member of the General Employees’ Retirement Board for a four-year term expiring in January 2024. Member Laughlin seconded the motion which carried on an all yes vote.

Fire Retirement Board Member Syfrett moved to reappoint Jephtha Sunday as the fifth member of the Fire Retirement Board for a four-year term expiring in January 2024. Member Mulkey seconded the motion which carried on an all yes vote.

Police Retirement Board Member LaSata moved to reappoint Hal Burke as the fifth member of the Police Retirement Board for a four-year term expiring in January 2024. Member Grose seconded the motion which carried on an all yes vote.

All: Authorization to renew membership in Florida Public Pension Trustees Association (FPPTA) for 2020

General Retirement Board Member Harris moved to authorize renewal of the General Employees Retirement Board’s membership in FPPTA for the ensuing year. Member Laughlin seconded the motion which carried unanimously.

Fire Retirement Board Member Syfrett moved to authorize renewal of the Fire Retirement Board's membership in FPPTA for 2020. Member Matson seconded the motion which carried on an all yes vote.

Police Retirement Board Member Burke moved to authorize renewal of the Police Retirement Board's membership in FPPTA for 2020. Member Grose seconded the motion; it carried unanimously.

All: Ratify travel expense reports/reimbursements for attendance at FPPTA Fall Trustee School in Ponte Vedra Beach

Plan Administrator Rounsavall advised that expense reports included registration fees, hotel accommodations, mileage and meals in accordance with each retirement plan's approved travel policy

General Retirement Board Member Harris moved to approve travel expense report as set forth below:

Trustee Tanya Molony - \$1,352.28

Member Laughlin seconded the motion and it carried unanimously.

Fire Retirement Board Member Mulkey moved to ratify travel expense reports as set forth below:

Trustee Ed Syfrett - \$1,432.88

Trustee Tim Matson - \$1,442.88

Trustee Mike McCaleb - \$1,442.88

Member Matson seconded the motion and it carried unanimously.

Police Retirement Board Member LaSata moved to ratify the travel expense report as set forth below:

Trustee Hal Burke - \$1,484.88

Member Grose seconded the motion which carried on an all yes vote.

All: Consider request of city staff for online access to ICMA-RC (self-directed DROP) participant accounts

During a recent meeting between city staff and representatives from ICMA-RC concerning the availability of deferred compensation (457) plans for city employees, it was mentioned that staff could request online access to self-directed DROP participant accounts. As the agreement with ICMA-RC for the self-directed DROP option was with the individual retirement plans (not the city), the plan attorney advised that such authorization needed to come from the retirement boards (not the plan administrator).

Finance Director Matthew Trine gave further insight into the request. With direct access, he felt that information on the DROP accounts would be more readily available for state annual reports, audit and other accounting purposes. Further, the City was the plan sponsor for the retirement plans.

General Retirement Board Member Laughlin moved to approve city staff's request for online access to ICMA-RC (self-directed DROP) participant accounts. Member Harris seconded the motion and it carried with Chairman Henderson voting no.

*Fire Retirement Board Likewise, Member Matson moved to approve staff's request for online access to ICMA-RC (self-directed DROP) participant accounts. Member Mulkey seconded the motion which carried unanimously.*

*Police Retirement Board Member Burke moved to approve staff's request for online access to ICMA-RC (self-directed DROP) participant accounts with the understanding that it was for informational purposes only. Member Crawford seconded the motion which carried.*

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Along this line, Actuary Chad Little pointed out that several participants left assets with ICMA after completing their DROP enrollment and separating service. Because these assets were held pursuant to an agreement between the retirement boards and ICMA-RC, it presented challenges when reconciling assets at the end of each fiscal year. Board policy provided that these assets were to be transferred within 90 days of exiting DROP, however, this did not occur in every instance.

Attorney Herrera stated that the boards could direct ICMA-RC to transfer self-directed DROP assets out of the retirement plan accounts once a participant separated service. A participant could always move their assets to an individual account with ICMA-RC which would eliminate the dilemma mentioned by the actuary.

*It was the consensus of each retirement board to direct the plan attorney to contact ICMA-RC regarding the need to transfer assets out of plan accounts upon exit from DROP and to report back at the next quarterly meeting.*

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All: Discussion and possible action to direct actuary to update Summary Plan Description (SPD) for each retirement plan pending adoption of plan restatements and other ordinances currently under consideration

It had been many years since the SPD for each retirement plan had been updated due to the restatement of the plan documents being such a protracted process. *Florida Statutes* dictated that the SPDs be reviewed and distributed to plan participants on at least a biennial basis. Mr. Little advised that the fee to update each retirement plan's SPD was \$1,590.

*General Retirement Board Member Laughlin moved to direct Freiman Little Actuaries to update the Summary Plan Description at the stated fee of \$1,590 upon adoption of the plan restatement and other pending ordinances. Member Harris seconded the motion which carried on an all yes vote.*

*Fire Retirement Board Likewise, Member Mulkey moved to direct Freiman Little Actuaries to update the Summary Plan Description at the stated fee of \$1,590 upon adoption of the plan restatement and other pending ordinances. Member Syfrett seconded the motion which carried on an all yes vote.*

*Police Retirement Board Member Burke moved to direct the actuary to update the Summary Plan Description at the stated fee of \$1,590 upon adoption of the plan restatement and other pending ordinances. Member Grose seconded the motion which carried on an all yes vote.*

Fire & Police: Acknowledge receipt of detailed accounting report for Fiscal Year 2018/2019 pursuant to *Florida Statutes*

Board members were in receipt of the detailed accounting report for Fiscal Year 2018/2019 prepared by the plan administrator. It reflected administrative expenses that were actually paid on behalf of the plan during the fiscal year. Administrative expenses included legal counsel, actuarial, plan administration, etc. Total administrative expenses for the *Fire Retirement Plan* were \$94,182.36 which was less than the adopted budget for the fiscal year. Total administrative expenses for the *Police Retirement Plan* were \$90,061.69 which was also less than the adopted budget for the fiscal year. Investment management fees paid to Garcia Hamilton & Associates (fixed income manager) and ASB/Allegiance Real Estate Fund were not reported because they were not considered administrative expenses. Index and mutual funds were reported net of fees.

*On behalf of the Fire Retirement Board, Member Mulkey moved to accept the detailed accounting report for Fiscal Year 2018/2019 as presented. Member McCaleb seconded the motion and it carried unanimously. A copy of the report would be posted on the City's web site and bulletin boards at each fire station.*

*Likewise for the Police Retirement Board, Member LaSata moved to accept the detailed accounting report for Fiscal Year 2018/2019 as presented. Member Grose seconded the motion and it carried unanimously. A copy of the report would be posted on the City's web site and bulletin boards at the police department.*

Fire & General: Ordinance reducing interest rate paid on refund of contribution from 5 percent to 1.5 percent

Pursuant to recently approved memorandums of understanding (MOU) with affected unions (i.e. Teamsters and LIUNA), Board members were in receipt of proposed ordinances decreasing the interest rate credited on employee contributions from 5 percent to 1.5 percent effective October 1, 2019.

*Fire Retirement Board Member Mulkey moved to approve the proposed ordinance as stated with respect to interest crediting rate, to direct the actuary to prepare an impact statement, and to forward the ordinance onto city staff for placement on a future City Council agenda for consideration/adoption. Member McCaleb seconded the motion and it carried unanimously.*

*General Retirement Board Member Harris moved to approve the proposed ordinance as stated with respect to interest crediting rate, to direct the actuary to prepare an impact statement, and to forward the ordinance onto city staff for placement on a future City Council agenda for consideration/adoption. Member Laughlin seconded the motion and it carried unanimously.*

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The meeting recessed at 10:25 a.m. at which time Chairman Henderson (General Retirement Board) was excused. The meeting reconvened at 10:31 a.m.

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## REPORTS & COMMUNICATIONS

### Report: Board Attorney Pedro Herrera, Sugarman & Susskind

Attorney Herrera reviewed state ethics laws related to the acceptance of gifts. He also mentioned that the State Legislative session began in January 2020. Currently, there were no pre-filed bills affecting public pensions.

### Report: Custodian Mindy Johnson, Relationship Manager – Salem Trust Company

Mrs. Johnson was in attendance to provide her annual report to the retirement boards. This included the September 30, 2019 Salem Trust Service Report Summary and summary prospectus for the overnight sweep account with Goldman Sachs. She discussed the acquisition of Salem Trust by TMI Trust Company and upcoming transition. Several operational changes were forthcoming in the first quarter of 2020 including new wiring and delivery instructions for investment managers as well as new account numbers. Retiree benefit changes would no longer be processed through Great Banc Trust but would transition to TMI Trust. Mrs. Johnson also provided current liability insurance certificates.

### Report: Performance Monitor & Investment Advisor Tyler Grumbles, AndCo Consulting

#### All: Performance report for quarter ended September 30, 2019

Mr. Grumbles presented the performance report for the quarter ended September 30, 2019. Domestic equity markets ended the quarter in positive territory and outperformed international stocks which were negative for the period. Large cap stocks outperformed small cap equities. Fixed income performed particularly well during the trailing 12 months with returns over ten percent. Target allocations were in line; there was no need to rebalance.

Mr. Grumbles reported that the ASB Allegiance Real Estate Fund experienced poor performance for the previous quarter due to an unexpected bankruptcy filing from Barney's which leased a large retail space in the Chicago area. Despite this setback, Mr. Grumbles was still comfortable with ASB's strategy.

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Attorney Herrera was excused from the meeting at 10:55 a.m.

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### Fire Employees' Retirement Fund

Total market value as of September 30, 2019 was \$11,889,769 up from \$11,872,351 for the previous quarter ended June 30, 2019. On a percentage basis, the composite portfolio was up 0.60 percent (gross) for the quarter which ranked in the 69<sup>th</sup> percentile of public plans. For Fiscal Year 2018/2019, the fund returned a positive 3.81 percent (60<sup>th</sup> percentile). Fund value as of November 21, 2019 was \$12,092,317.

### General Employees' Retirement Fund

Total market value as of September 30, 2019 was \$17,131,126 down slightly from \$17,234,076 for the previous quarter ended June 30, 2019. On a percentage basis, the composite portfolio was up 0.57 percent (gross) for the quarter which ranked in the 71<sup>st</sup>



percentile of public plans. For Fiscal Year 2018/2019, the fund returned a positive 3.60 percent (65<sup>th</sup> percentile). Fund value as of November 21, 2019 was \$17,481,428.

#### Police Employees' Retirement Fund

Total market value as of September 30, 2019 was \$15,057,783 up slightly from \$15,054,881 for the previous quarter ended June 30, 2019. On a percentage basis, the composite portfolio was up 0.58 percent (gross) for the quarter which ranked in the 70<sup>th</sup> percentile of public plans. For Fiscal Year 2018/2019, the fund returned a positive 3.57 percent (66<sup>th</sup> percentile). Fund value as of November 21, 2019 was \$15,628,050.

All Rockledge plans were fully invested and in compliance with the investment policy statement. Each retirement board acknowledged receipt of their respective investment performance report as presented.

#### All: Update on Brookfield Super-Core Infrastructure Fund

Earlier in the year, the retirement boards approved an investment in the Brookfield Infrastructure Fund. The necessary management agreements and side letters were now completed and signed. Mr. Grumbles advised that each Rockledge Retirement Plan received a letter of tax exemption from the Canadian Revenue Agency. He expected the first capital call early in 2020.

#### Report: Actuarial Consultant Chad Little, Freiman Little Actuaries, LLC

Mr. Little did not foresee the Fire Retirement Plan receiving the "second" premium tax distribution check from the State for the current year or future years.

He also planned to report at future meetings on the definition of actuarial equivalence for joint and survivor benefit options.

#### Report: Administrative Report Karan Rounsavall

All: Educational Opportunity: Florida Public Pension Trustees Association (FPPTA) Winter Trustee School in Orlando (January 26-29, 2020)

If any trustee wished to attend, they were to contact the plan administrator at their earliest convenience.

General Employees: Acknowledge receipt of retirement fund expenditures and receipts for fourth fiscal quarter (ending September 30, 2019)

Plan expenditures for the final quarter of Fiscal Year 2018/2019 (July 1, 2019 through September 30, 2019) were \$24,748.46. Receipts to the plan for that same fiscal quarter were \$78,873.54. Total disbursements for the quarter were \$278,630.59 and included monthly benefit payments, self-directed DROP payments, and refund of contributions in addition to plan expenses. (Reference Plan Administrator's memorandum dated November 1, 2019 for detail.)

*Member Harris moved to acknowledge receipt of the report as presented. Member Jarusiewicz seconded the motion which carried unanimously.*

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The next quarterly meeting was February 21, 2020. The retirement boards would meet separately at that time.

**PUBLIC COMMENT - None**

**ADJOURN**

The joint quarterly meeting adjourned at 11:05 a.m.

**Fire Employees' Retirement Board**

Submitted by:

Approved by:

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Karan Rounsavall, Plan Administrator

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, Chairman

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**General Employees' Retirement Board**

Submitted by:

Approved by:

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Karan Rounsavall, Plan Administrator

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, Chairman

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**Police Employees' Retirement Board**

Submitted by:

Approved by:

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Karan Rounsavall, Plan Administrator

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, Chairman

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