

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

**Friday, May 17, 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, May 17, 2019 in the Council Chamber of Rockledge City Hall, 1600 Huntington Lane, Rockledge, Florida.

**General Employees' Retirement Board**

MEMBERS PRESENT: Corey Harris, Support Staff Representative  
Michael Jarusiewicz, Public Works Representative  
Tanya Molony, Citizen Representative

MEMBERS ABSENT: David Henderson, Chairman/City Manager Representative  
Brian Laughlin, Citizen Representative  
(both excused due to work commitments)

**Fire Employees' Retirement Board**

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

**Police Employees' Retirement Board**

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

**Staff/Consultants:** Ken Harrison, Board Attorney – Sugarman & Susskind\*  
Tyler Grumbles, Investment Advisor – AndCo Consulting  
Chad Little, Actuary – Freiman Little Actuaries  
Karan Rounsavall, Retirement Plan Administrator  
Matthew Trine, Assistant City Manager/Finance Director

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

Member Harris called the General Employees' Retirement Board meeting to order at 9:01 a.m. Likewise, Chairman Sunday called the Fire Retirement Board meeting to order and Chairman Burke called the Police Retirement Board meeting to order. A quorum was in attendance for all boards.

## APPROVAL OF MINUTES

All: Quarterly meeting of February 22, 2019

*On behalf of the Fire Retirement Board, Member Mulkey moved to approve minutes for the February 22, 2019 quarterly meeting as submitted. Member Syfrett seconded the motion and it carried on an all yes vote.*

*Likewise, for the Police Retirement Board, Member Burke moved to approve minutes for the February 22, 2019 quarterly meeting as submitted. Member Grose seconded the motion and it carried unanimously.*

*As to the General Employees Retirement Board, Member Molony moved to approve minutes for the February 22, 2019 quarterly meeting as submitted. Member Jarusiewicz seconded the motion and it carried.*

## OLD BUSINESS

All: Status of restatements for the respective retirement plans

At the previous quarterly meeting, the restatements were tabled pending further revision to all three retirement plans to require spousal "notice" rather than spousal "consent" when a married member elected a benefit option other than joint and survivor. Spousal notice was consistent with the practice of Florida Retirement System to not require spousal consent but to require spousal notice of such elections (i.e. acknowledgement). Further revisions to the Police Retirement Plan alone included reduction to the interest rate paid on refund of contributions for non vested members from five (5) percent to one and one-half (1.5) percent (as negotiated during collective bargaining).

Board members were in receipt of the revised restatements as stated above.

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Member McCaleb (Fire Retirement Board) arrived at 9:17 a.m.

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*Fire Retirement Board Member Syfrett moved to approve revisions to the Fire Plan restatement removing the spousal consent requirement and replacing it with language requiring spousal notice and to direct the plan actuary to prepare an appropriate impact statement to accompany the ordinance. Upon receipt of the impact statement, the restatement ordinance would be sent to staff for placement on a future city council agenda. Member Mulkey seconded the motion which carried unanimously.*

*Police Retirement Board Member Burke moved to approve the revised restatement for the Police Plan which (1) deleted the spousal consent requirement and replaced it with spousal notice language; and (2) reduced the interest rate paid on refund of contributions for non vested members from 5% to 1.5%. His motion further directed the actuary to prepare an appropriate impact statement and upon receipt to forward to staff for consideration by city council. Member Grose seconded the motion; it carried on an all yes vote.*

*General Employees Retirement Board Member Jarusiewicz moved to approve revisions to the General Employees' Plan restatement which removed the spousal consent requirement and replaced it with language requiring spousal notice and to direct the*

*plan actuary to prepare an appropriate impact statement to accompany the ordinance. Upon receipt of the impact statement, the restatement ordinance would be sent to staff for placement on a future city council agenda. Member Molony seconded the motion and it carried unanimously.*

## **NEW BUSINESS**

All: Renew signature authorizations for Chevy Chase Trust Company

Chevy Chase Trust served as custodian for the ASB/Allegiance Real Estate Fund. Plan Administrator Rounsavall advised that the signature authorizations needed updating. Attorney Harrison suggested that all trustees and the plan administrator be authorized signatories for their respective retirement plans.

Fire Retirement Board Member McCaleb moved to direct the plan administrator to update the signature authorizations for Chevy Chase Trust Company to include all trustees and plan administrator. Member Mulkey seconded the motion which carried unanimously.

Police Retirement Board Member Crawford moved similarly to direct the plan administrator to update the signature authorizations for Chevy Chase Trust Company to include all trustees and plan administrator. Member Burke seconded the motion and it carried on an all yes vote.

General Employees' Retirement Board Likewise, Member Molony moved to direct the plan administrator to update the signature authorizations for Chevy Chase Trust Company to include all trustees and plan administrator. Member Jarusiewicz seconded the motion which carried unanimously.

Plan Administrator Rounsavall would prepare necessary signature cards as directed.

## **REPORTS & COMMUNICATIONS**

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

All: Performance report for quarter ended March 31, 2019

Mr. Grumbles presented the performance report for the quarter ended March 31, 2019. Following a challenging prior quarter, markets rebounded strongly during the first quarter of 2019. All asset classes had positive returns with domestic and international equities posting double digit returns. While the retirement plans remained slightly negative for the fiscal year, each plan gained nearly \$1 million during the quarter. Mr. Grumbles pointed out that interest rates fell for all maturities across the U.S. Treasury Yield Curve. In particular, interest rates in the middle of the curve saw the greatest decline. Historically, this could be a bearish signal meaning that the bond market was pricing in a recession in the short-term future. All plans were in line with target allocations.

### Fire Employees' Retirement Fund

Total market value as of March 31, 2019 was \$11,679,224 up from \$10,819,203 for the previous quarter ended December 31, 2018. On a percentage basis, the composite portfolio was up 9.97 percent (gross) for the quarter which ranked in the eighth

percentile of public plans. Fiscal year to date, the fund remained negative with a return of -0.14 percent.

#### Police Employees' Retirement Fund

Total market value as of March 31, 2019 was \$14,686,767 up from \$13,443,888 for the previous quarter ended December 31, 2018. On a percentage basis, the composite portfolio was up 10.31 percent (gross) for the quarter which ranked in the fifth percentile of public plans. Fiscal year to date the fund was slightly negative with a return of -0.36 percent.

#### General Employees' Retirement Fund

Total market value as of March 31, 2019 was \$16,853,783 up from \$15,558,021 for the previous quarter ended December 31, 2018. On a percentage basis, the composite portfolio was up 10.21 percent (gross) for the quarter which ranked in the sixth percentile of public plans. Fiscal year to date the fund was slightly negative with a return of -0.34 percent.

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.

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At the quarterly meeting on February 22, 2019, each retirement board authorized an investment with Brookfield Super-Core Infrastructure Partners at a five percent allocation. Mr. Grumbles reported that the investment management agreement and accompanying side letters were reviewed and approved by legal counsel. These would be presented for signature in the very near future.

#### Report: Board Attorney (Sugarman & Susskind)

##### All: Legislative Update

Attorney Harrison advised that no legislation was adopted which affected Chapter 175 or 185 plans. A bill was adopted, however, which established a presumption that certain cancers were job related for firefighters.

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He went on to discuss recent law suits filed against municipalities for failing to maintain ADA compliant websites (Americans with Disabilities Act). While the ADA requirement had been in place for a number of years, many postings on city web sites were not accessible to visually impaired individuals. There was no defense for the cities in these situations and suits were being settled for monetary sums.

Finance Director Matthew Trine advised that there was an asserted claim against the City of Rockledge at the present time. Staff was working to make the city's website ADA compliant which meant removing lots of information therefrom.

Plan Administrator Rounsavall advised that agendas and minutes were ADA compliant. She had changed the type font and outline format to make the documents even more readable.

General Employees: Legal action related to attempts to collect retirement benefit paid to beneficiary following death

At the last quarterly meeting, the Retirement Board directed the attorney's office to send a second demand letter to the deceased beneficiary's next of kin threatening legal action. This was done but garnered no response. Attorney Harrison advised that the next step was to file a law suit. Given that the deceased was out of state and the amount in question was a single overpayment of \$900, he did not recommend this course of action. It would be far more expensive than the amount to be recovered. At this point, the Board fulfilled its fiduciary responsibility to attempt to recoup the funds.

*Member Jarusiewicz moved in accordance with the attorney's advice to take no further action to collect the overpayment. Member Molony seconded the motion and it carried on an all yes vote.*

Report: Actuarial Consultant (Chad Little, Freiman Little Actuaries, LLC)

Mr. Little advised that all required state filings were finished. All that remained was to file the actuarial valuations electronically.

He also mentioned that the valuation reports as prepared by Freiman Little Actuaries were not ADA compliant.

Report: Administrative Report (Karan Rounsavall)

All: Educational Opportunity: Florida Public Pension Trustees Association (FPPTA) Annual Conference in Orlando (June 30 – July 3, 2019)

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

All: Annual Financial Disclosure Filing Deadline

Mrs. Rounsavall advised that the filing deadline was July 1, 2019. Disclosure forms would be mailed to trustees by the end of the month.

General Employees: Acknowledge receipt of retirement fund expenditures and receipts for second fiscal quarter (ending March 31, 2019)

Plan expenditures for the second quarter of Fiscal Year 2018/2019 (January 1, 2019 through March 31, 2019) were \$43,588.38. Receipts to the plan for that same fiscal quarter were \$79,832.77. Total disbursements for the quarter were \$368,798.75 and included monthly benefit payments, DROP payments, and refund of contributions in addition to plan expenses. (Reference Plan Administrator's memorandum dated April 4, 2019 for detail.)

*Board members acknowledged receipt of the report as presented.*

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Mrs. Rounsavall mentioned that Salem Trust (custodial services) was recently acquired by TMI Trust Company of Texas. No change in operations or personnel was anticipated. Additionally, there was no anticipated change to the professional services agreement with Salem Trust as a result of the acquisition.

The next quarterly meeting was August 23, 2019. The retirement boards would meet individually at that time.

**PUBLIC COMMENT** - None

**ADJOURN**

The joint quarterly meeting adjourned at 9:48 a.m.

**Fire Employees' Retirement Board**

Submitted by:

Approved by:

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Karan Rounsavall, Plan Administrator

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Jeptha Sunday, 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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David Henderson, 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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Rick Burke, Chairman

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