
**City of Rockledge General Employees' Retirement Plan
City of Rockledge Fire Employees' Retirement Plan
City of Rockledge Police Employees' Retirement Plan
Joint Quarterly Meeting
May 20, 2022
MINUTES**

General Employees' Board

Brian Laughlin – Chairman
Brenda Black – Trustee
Corey Harris – Trustee
Tanya Molony – Secretary
Elon Poole – Trustee

Board Members Present

Fire Employees' Board

Jeptha Sunday – Chairman
Michael McCaleb - Trustee
Thomas “Pat” O’Neill - Trustee
Ed Syfrett – Trustee

Police Employees' Board

Rick Burke – Chairman
Joseph LaSata – Trustee
Hal Burke – Trustee
Patrick Kennedy - Trustee
Chris Crawford – Secretary

Board Members Absent & Excused

Desiree Babbs - Trustee

Also Present: Ken Harrison & Madison Levine – Attorney (via video), Chad Little - Actuaries, Tyler Grumbles – Consultant, Frank Mega & Caleb Hynson – Plan Administrators (Police), Julie Enright and Charlene Lehmann (General and Fire) – Plan Administrator and Assistant, Matthew Trine – Finance Director

I. Call to Order

General Employees' Board: Meeting called to order at 9:07 am by Brian Laughlin. A quorum was in attendance.

Fire Employees' Board: Meeting called to order at 9:20 am by Jeptha Sunday. A quorum was in attendance.

Police Employees' Board: Meeting called to order at 9:07 am by Chairman Burke. A quorum was in attendance.

II. Approval of Minutes

General Employees' Board: The minutes from the February 4, 2022, Pension Board meeting was presented for approval. A motion was made by Tanya Molony to approve the minutes as presented; the motion was seconded by Corey Harris and passed unanimously.

Fire Employees' Board: The minutes from the February 4, 2022, Pension Board meeting was presented for approval. A motion was made by Michael McCaleb to approve the minutes as presented; the motion was seconded by Pat O’Neill and passed unanimously.

Police Employees' Board: The minutes from the February 4, 2022, Pension Board meeting and January 28, 2022, Special Board meeting were presented for approval. A motion was made by Patrick Kennedy to approve the minutes as presented; the motion was seconded by Hal Burke and passed unanimously.

III. Investment Consultant

Tyler Grumbles of AndCo presented the quarterly investment performance and overview. The US labor market remained a source of strength during the 1st quarter with the unemployment rate falling to 3.6% in March. The pace of job growth accelerated during the quarter with a three-month average of roughly +562,000. Importantly, the number of workers re-entering the workforce increased during the quarter with strong wage growth as the likely catalyst. The US Federal Reserve Bank (the Fed) began the process of normalizing interest rates by raising the Fed Funds rate by 0.25%. Additionally, the Fed signaled it was ready to begin the process of shrinking its balance sheet by not reinvesting up to \$95 billion of maturing bonds into new securities each month. This process is referred to as “quantitative tightening” and is meant to drain liquidity from the economy with the goal of slowing inflation. US equities declined during the 1st quarter as concerns regarding the conflict in Ukraine and the potential for a slowing global economy acted as headwinds. Large cap value was the best performing domestic segment of the equity market relative to other US market capitalizations and styles during the period while small cap growth performed the worst. No recommendations at this time for rebalance.

General Employees’ Board: The fund began the quarter at \$24,260,945 and finished with quarterly balance of \$22,815,573. The Plan was (-) 4.80% for the quarter net of fees vs benchmark of (-) 4.85%, 52nd percentile.

Fire Employees’ Board: The fund began the quarter at \$16,339,629 and finished with quarterly balance of \$15,298,940. The Plan was (-) 4.79% for the quarter net of fees vs benchmark of (-) 4.85%, 49th percentile.

Police Employees’ Board: The fund began the quarter at \$20,653,085 and finished with quarterly balance of \$19,363,778. The Plan was (-) 4.87% for the quarter net of fees vs benchmark of (-) 4.85%, 52nd percentile.

Real Estate Manager Search – Tyler Grumbles introduced the Real Estate Manager search that was performed by AndCo. The search was done due to the underperformance of the Plan’s current Allegiance Real Estate Fund (ASB). Tyler provided an overview of the benefits Real estate provides to the Plans and the roles the fund plays in reducing overall portfolio volatility and income generation. Tyler introduced the 3 different open end Real Estate firms/funds that provide rental income and some building appreciation. The review of the firms included each fund’s strategy, costs, and historical performance statistics. Based on the Consultant’s research, review, and evaluation of these core Real Estate managers, Tyler’s recommendation is to add the Stockbridge Smart Markets Fund as compliment to ASB and keep ASB on watch moving forward. Open discussion took place among the Boards on the amount to add to the new firm and where to pull the funds. Tyler provided a recommendation to pull approx. 5% from the Domestic Fixed Income fund for each Plan to fund. The minimum required to add Stockbridge is \$1,000,000 for each Plan. Based on the current value for each plan, that would equate moving Domestic Fixed Income in the amounts of 5% for General, 7.4% for Fire, and 5.9% for Police.

General Employees’ Board: A motion was made by Corey Harris to approve moving the minimum \$1,000,000 (approx. 5%) from the domestic fixed income fund to the Stockbridge Smart Markets Fund as presented; the motion was seconded by Brenda Black and passed unanimously.

Fire Employees' Board: A motion was made by Pat O'Neill to approve moving the minimum \$1,000,000 (approx. 7.4%) from the domestic fixed income fund to the Stockbridge Smart Markets Fund as presented; the motion was seconded by Ed Syfrett and passed unanimously.

Police Employees' Board: A motion was made by Joseph LaSata to approve moving the minimum \$1,000,000 (approx. 5.9%) from the domestic fixed income fund to the Stockbridge Smart Markets Fund as presented; the motion was seconded by Patrick Kennedy and passed unanimously.

IV. Attorney Report

Plan Attorney reminded Form 1F Financial Disclosure requirement by July 1 annually.

Plan Attorney provided a legislative update on a bill that would add COVID-19 and infectious diseases to the list of conditions that, if suffered by an emergency rescue or public safety worker, are presumed to have been contracted while at work for purposes of workers' compensation. The Bill did not pass.

Plan Attorney introduced Madison Levine who will be accompanying Ken moving forward.

V. Plan Administrator Report

Julie Enright, Plan Administrator spoke on the continuing education opportunities available through the FPPTA.

- *ACTION ITEM: Plan Administrator will continue to update Board members on educational opportunities.*

Julie also provided Fund expenditures for the General Employees' Plan to the Board for review and acknowledgement of second fiscal quarter ending 3/31/22.

Julie advised the Boards of an opportunity to change individual Board meeting times to help assist with the change to new Plan Administrators. Open discussion took place among the Boards, and it was determined that the Fire Board will meet at 9am, the General Board will meet at 11am, and the Police Board will remain unchanged meeting at 1pm. The Joint Board meeting time remains unchanged.

- *ACTION ITEM: Plan Administrator to distribute new meeting schedules for each Board to the City and vendors.*

Caleb Hynson, Plan Administrator provided the Boards and City a summary on unclaimed monies identified through HYN Consulting's onboarding process for the City of Rockledge. He advised the Boards and City that the monies available can range considerably. It would be up to the City to contact the State to identify and collect on any unclaimed available funds.

VI. Public Comment

Police Employees' Plan retiree Pat Hartselle addressed the Board regarding his recent experience of exiting the DROP and the delay in receiving his DROP monies. Mr. Hartselle expressed his appreciation of the effort and communication from Frank Mega, Plan Administrator and the City of the delays and explanation of the challenges faced in finalizing DROP monies. The DROP monies were not received within 90 days due to the 12/31/21 quarter end earning / losses unable to be finalized. Frank Mega, Plan Administrator provided a summary of the reporting challenge with the Brookfield Infrastructure fund that led to the delay of DROP monies distribution for Mr. Hartselle. Tyler Grumbles added details regarding an untimely audit of the fund which pushed the quarter end results out longer than expected. Chad Little,

Plan Actuary, added options of adding a “Hold Back” to the DROP distribution for members who may be affected by this in the future. This would allow a percent of distribution (i.e., 80%, 90% of total DROP monies) to be immediately distributed while the quarter end interest is being finalized. Open discussion took place among the boards on potential of adding this in the future. The Plan Attorney advised he will look into the Policy/Procedure of DROP distribution to not hold up monies due to member and will report back at a future meeting.

- *ACTION ITEM: Plan Administrator to add DROP monies distribution timing as agenda item at future meeting.*

In addition, Mr. Hartselle expressed a need for support and collaboration in tax and financial aspects that can assist a member in retiring. Plan Administrator Frank Mega added that part of our counseling service to members, we provide a variety of information to the retirement process and arm the member with information and resources to help with their decision-making process. In addition, Frank provided specifics on the Plan Administrator not acting in an advisory role or making recommendations to members. Matthew Trine, City Finance Director added commentary that the City and staff are not able to provide financial or tax advice. Matthew will continue to have collaborative conversations to determine if resources/subject matter experts can be identified to help with members in the future.

VII. Adjournment/Next Meeting

A motion to adjourn was made for all Boards at 10:25am. The next regularly scheduled Board of Trustees’ meeting will be held on August 19, 2022, at 9 am for Fire Employees’ Board, 11 am for General Employees’ Board, and 1:00 pm for Police Employees’ Board.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING, THEY WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, THEY WILL NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE WHICH THE APPEAL IS TO BE BASED.

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATION MEDIA TECHNOLOGY. PERSONS WITH DISABILITIES WHO REQUIRE REASONABLE ACCOMMODATIONS TO PARTICIPATE IN THE MEETINGS MAY CALL THE PLAN ADMINISTRATOR FIVE BUSINESS DAYS IN ADVANCE AT 727- 559-7333.

Approved by General Employee's Board:

Brian Laughlin, Chairman

Approved by Fire Employee's Board:

Jeptha Sunday, Chairman

Approved by Police Employee's Board:

Rick Burke, Chairman