

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Quarterly Meeting 22-14**

Held on the 4th of November, 2022 at Robert J. Conlan Professional Center, 1501 R. J. Conlan Blvd., NE, Suite 240, Palm Bay, Florida.

This meeting was properly noticed pursuant to law; the minutes are on file in the Office of the City Clerk, City Hall, Palm Bay, Florida.

Timothy W. Lancaster, Chairperson, called the meeting to order at the hour of 9:00 a.m.

ROLL CALL:

CHAIRMAN:	Timothy W. Lancaster	Present
VICE CHAIRMAN:	Jason Dorey	Present
SECRETARY:	James W. Brock	Present
TRUSTEE, BRD APPT:	Anthony T. Sacco	Present
TRUSTEE, CITY COUNCIL:	Benjamin J. Kiszkiel	Present

Also, in attendance was Ms. Kathy Adams, Board Administrator, and Ms. Katie Taglia-Polak, Office Manager, and Ms. Alice Tabares, Pension Assistant, Palm Bay Police and Firefighters' Pension Fund. Ms. Tabares left the meeting at 9:25 a.m. Ms. Inez Garcia, Salem-TMI, and Ms. Sharon Gray, HR Generalist II, City of Palm Bay Human Resources Department, telephoned at 9:00 a.m. Mr. Patrick Donlan, Actuary, Foster and Foster, Inc. telephoned at 9:16 a.m. Mr. Larry Cole, Performance Manager, Burgess Chambers and Associates, Inc. arrived at 9:41 a.m. Mr. Blake Myton, First Vice President, Senior Client Strategist, Sterling Capital Management, LLC, arrived at 9:42 a.m.

AGENDA REVISIONS:

Motion by Mr. Brock, seconded by Mr. Sacco to move to the beginning of the meeting Old Business Item No. 1. Annual Required Contribution, as Mr. Donlan plans to telephone at 9:15 a.m. to discuss; to remove Karla Engard, Operations Manager from Mr. Cole's presentation; to change under New Business, *1. Warrants for Payment: d. Allspring Global Investments- FROM \$16,152.33 TO \$6,152.33-Management Fee for 07/01-09/30/2022, Invoice 13976597 (Fire Fund Only) and e. SSI Investment Management-from \$14,589.00 to \$14,589.00-Management Fee 07/01-09/30/2022, Invoice 002022-

0241 (Police Fund Only); and to add Items l. Sterling Capita Management LLC-\$20,872.00-Investment Management Fees for Quarter End 09/30/2022, (Police Fund Only); m. Sterling Capital Management LLC-\$15,848.00-Investment Management Fees for Quarter End 09/30/2022, (Fire Fund Only); n. Sterling Capital Management LLC-\$10,384.00-Investment Management Fees for Fire Fixed Income for Quarter End 09/30/2022, (Fire Fund Only); o. Sterling Capital Management LLC-\$15,978.00-Investment Management Fees for Police Fixed Income for Quarter End 09/30/2022, (Fire Fund Only); p. Polen Capital Management-\$15,502.70-Management Fees for Quarter, 07/01-9/30/2022 (Police Fund Only); q. Polen Capital Management-\$6,764.31-Management Fees for Quarter, 07/01-9/30/2022 (Fire Fund Only); add 8. Digital Signatures. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.

CONSENT AGENDA:

Motion by Mr. Brock, seconded by Mr. Sacco to approve the Consent Agenda as revised. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.

ADOPTION OF MINUTES:

*Regular Minutes 22-13

The above minutes were approved under Consent. The discussion began with Old Business, item 3.

TRUIST FINANCIAL CORPORATION AND STERLING CAPITAL MANAGEMENT, LLC AT 9:45 A.M.:

1. Mr. Blake Myton, First Vice President, Senior Client Strategist; Sterling Capital Management, LLC
 - a. Quarterly Report-Mr. Myton this is the last quarterly report for Truist. The next will be from Sterling. Everything revolves around the Federal Reserve. There was discussion on inflation concerns. It was a bad quarter. Growth has taken the brunt of the losses. The bond returns were bad. Quarter-ending 9/30/2022 was the worst bond market seen at -4.35%, market value of \$79,043,236.24. The net change

was -\$4,330,314.95. Until the market gets a better idea of when the Fed is going to stop raising rates, it will be volatile.

b. First Rate, Inc.-Request Data on Sterling Accounts-Salem requested an authorization for this item, but it was determined it was not needed.

BURGESS CHAMBERS AND ASSOCIATES, INC. AT 10:00 A.M.:

1. Mr. Larry Cole, Performance Manager

a. Quarterly Report-Mr. Cole said he's been doing this for over forty years, and this is the worst report he has had to bring to the Board. He said there was an unexpected rapid rise in interest rates with the corresponding drop in the bond market. There is a lot of cash on the sidelines and when it turns around, which could be fast, you want to be in the market. The signals show the economy is strong, but the rate hikes are painful. The total market value at 9/30/2022 is \$199,631,924.00 with a return of -4.4%. Internationals are risky right now. Real estate has helped, but he thinks it is peaking, but still providing income. Being underweight in fixed income hurt the Plan. He does not want to make any changes to the asset allocation because we want to be in the market when it turns around. The ranking for one year is 98th percentile, for the quarter in the 48th percentile. Polen, Allspring, Euro Pacific is down. Europe is slower coming into the recovery.

b. Small-Mid Cap Value Manager Search-Ceredex Small and Mid-Cap are in Sterling now. This is back to us under Truist. The SMID Cap Value is overweighted in industrials, so it has similar companies. DePrince, Race, and Zollo (DRZ) will be a smooth ride. He is not replacing Ceredex Large Cap Value. They have done bad, but they are just getting into a better position since the Sterling transfer from Truist. DRZ is based in Orlando. He recommends taking one-half of the Mid-Cap assets and move them to DRZ, \$5 Million. Mr. Myton said there should no longer be invoices from Truist. Motion by Mr. Brock, seconded by Mr. Sacco to approve the transfer of fifty percent (50%) from the Mid-Cap assets with the split between a Police and Fire Fund to DRZ, with Ms. Janes, Board Accountant to determine the split based on the value of the existing assets. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Mr. Myton said it was 80 basis points, Ceredex is 60-65 basis points. There is no fee imbedded. Statements will come from DRZ like Allspring.

c. Annual Rate of Return Letter-Motion by Mr. Brock, seconded by Mr. Sacco to approve the Annual Rate of Return Letter and the 60 T Disclosure. Motion carried

with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.

d. 60T Disclosure-See above "c".

OLD BUSINESS:

1. Annual Required Contribution-Mr. Donlan said the City deposited what was estimated, and because the State amount was higher, there is a prepaid for Police and Fire Funds they can use this year. The Police Share Plan will have about an additional \$249,000; Fire does not have any money to go towards it. The GASB and Share Plan Reports will be presented at the December meeting. Mr. Donlan's telephone call ended at 9:19 a.m. The discussion continued to item 7. Operational Chart below.
- *2. DROP Returns for September 30, 2022-Gross returns for September 30, 2022 was -4.30 percent and -7.06 percent, net of fees. This item was approved under consent.
3. Review NCPERS Safety Conference-They had good speakers with healthcare being the main theme. Mr. Lancaster said he spoke to Mr. Cole about an investment, but he was not going that way.
4. Review On-line Records Management Class-Ms. Bertolini said the class was good and she submitted her certificate to Ms. Lindsay for filing.
5. Audit Progress with Mauldin & Jenkins-Ms. Taglia-Polak said items were submitted and they are scheduled for an on-site visit in December.
6. Pension Assistant Position-Ms. Taglia-Polak said she the drug testing was pending. The Board said to hold off on paid leave until Ms. Tabares passes her probationary period, but she could be paid for holiday and jury duty pay. Office keys and FOB could be issued now. Motion by Mr. Brock, seconded by Mr. Sacco to approve Ms. Tabares for attendance to the Division of Retirement School in Orlando in December. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Mr. Donlan telephoned at 9:16 a.m. Discussion moved to item 1. Annual Required Contribution above.
7. Organizational Chart-Mr. Kiskiel discussed an organizational chart reflecting Ms. Taglia-Polak reporting to the Board as Office Manager and pension staff reporting to her. Mr. Kiszkiel wants Ms. Taglia-Polak to conduct the evaluations for pension staff in the future and to come up with a reduced evaluation form. The current form being used is the City's. She was directed to discuss this with Mr. Klausner for a determination to move forward.

NEW BUSINESS:

*1. Warrants for Payment

- *a. Salem Trust-\$19,413.20-Account Management Fee for 07/01-09/30/2022, Fee A/C Number M69930-This item was approved under Consent.
- *b. Truist Bank-\$4,824.61-Investment Management Fee for Quarter 7-01-9-30-2022, Invoice 316362-This item was approved under Consent.
- *c. Allspring Global Investments-\$12,083.69-Management Fee for 07/01-09/30/2022, Invoice 13976595 (Police Fund Only)-This item was approved under Consent.
- *d. Allspring Global Investments-\$6,152.33-Management Fee for 07/01-09/30/2022, Invoice 13976597 (Fire Fund Only)-This item was approved under Consent as revised.
- *e. SSI Investment Management-\$14,589.00-Management Fee 07/01-09/30/2022, Invoice 002022-0241 (Police Fund Only)-This item was approved under Consent as revised.
- *f. SSI Investment Management-\$14,165.00-Management Fee 07/01-09/30/2022, Invoice 002022-0242 (Fire Fund Only)-This item was approved under Consent.
- *g. Eagle Asset Investment Management-\$1,179.34-Management Fees for Billing Period 07/01-09/30/2022, Invoice 041008440500 (Police Fund Only)-This item was approved under Consent.
- *h. Eagle Asset Investment Management-\$436.80-Management Fees for Billing Period 07/01-09/30/2022, Invoice 943768502375 (Fire Fund Only)-This item was approved under Consent.
- *i. Advent Capital-\$14,783.53-Investment Management Fees for Quarter End 09/30/2022, (Police Fund Only)-This item was approved under Consent.
- *j. Advent Capital-\$14,342.17-Investment Management Fees for Quarter End 09/30/2022, (Fire Fund Only)-This item was approved under Consent.
- *k. Burgess Chambers and Associates-\$19,963.19-Performance Monitoring and Advisory Fee for 09/30/2022, Invoice 22-518-This item was approved under Consent.
- *l. Sterling Capita Management LLC-\$20,872.00-Investment Management Fees for Quarter End 09/30/2022, (Police Fund Only)-This item was approved under Consent.

*m. Sterling Capital Management LLC-\$15,848.00-Investment Management Fees for Quarter End 09/30/2022, (Fire Fund Only)-This item was approved under Consent.

*n. Sterling Capital Management LLC-\$10,384.00-Investment Management Fees for Fire Fixed Income for Quarter End 09/30/2022, (Fire Fund Only)-This item was approved under Consent.

*o. Sterling Capital Management LLC-\$15,978.00-Investment Management Fees for Police Fixed Income for Quarter End 09/30/2022, (Fire Fund Only)-This item was approved under Consent.

*p. Polen Capital Management-\$15,502.70-Management Fees for Quarter, 07/01-9/30/2022 (Police Fund Only)-This item was approved under Consent.

*q. Polen Capital Management-\$6,764.31-Management Fees for Quarter, 07/01-9/30/2022 (Fire Fund Only)-This item was approved under Consent.

*2. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement\Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations-Member beneficiary forms were accepted and approved on Firefighters Brian Miller, Julia Tetreault, Jason Rivas, Lorne Smith. Share Plan beneficiary forms were accepted and approved on Firefighters Stephen Berner, Julia Tetreault, Lorne Smith, Matthew M. Cates, Jason Rivas, and Brian Miller. These items were approved under Consent.

3. Board Business-Ms. Adams cancelled Mr. Adams' Sprint Phone and Tablet from the Pension Fund's account, so no additional invoices should appear. The International Foundation of Employee Benefit Plans annual renewal for 2023 was \$1,145.00 versus \$1,100.00 for 2022. Motion by Mr. Brock, seconded by Mr. Sacco to approve a recurring warrant for Jeffcoat Services for a maximum amount of \$3,000.00 per monthly billing, to include air conditioning filter replacements with the current recurring monthly invoice for air conditioning replacement being voided. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.

4. Office Business

a. Annual Member Interest Posting-Interest was posted to the members' accounts for the following amounts: Police-\$213,351.26; Fire-\$175,229.55.

- b. Annual DROP Disbursements- Motion by Mr. Brock, seconded by Mr. Sacco to authorize the annual DROP payments. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.
 - c. Ken Williams Air Conditioning-Both air conditioners were check for leaks, but none was found. They suggested having the landlord check the roof. Ms. Adams said Mr. Kaufman should be notified by email as a matter of record.
 - d. Equipment Upgrades and Purchases, Sprint T-Mobile Phone-None at this time. Ms. Taglia-Polak said Ms. Tabares helped to complete the census report.
 - e. Open Enrollment City of Palm Bay-The following numbers were received: Fire: 15 out of and Police: 14 out of 28.
 - f. Employee VISA Invoice Review for October-None
 - g. Upcoming Events-Educational Opportunities-December 13-15, 2022 Division of Retirement, Ms. Tabares and Mr. Dorey. FPPTA January 2023, Mr. Lancaster, Mr. Dorey, Ms. Taglia-Polak, Ms. Lindsay, and Ms. Tabares. NCPERS Legislative, January 2023, none.
5. Public Safety Officer Support Act of 2022-This item will be added to the disability procedures and posted to the pension website.
6. Police Officer Christopher Jones Workers' Compensation-The City had to correct pensionable earnings on Police Officer Jones, but was not going to provide the information to the office because it was a complicated issue. There will be additional members as part of this correction to earnings. It is possible it would not be included as part of the calculation for retirement purposes.
- *7. Application for Disability, Police Officer Joseph V. Moreno-This item is pending.
8. Digital Signatures-Mr. Lancaster said he wanted digital signatures established for trustee signatures for warrants as soon as possible. He asked Ms. Taglia-Polak to obtain an email determination from Mr. Klausner, Board Attorney. Motion by Mr. Brock, seconded by Mr. Sacco to approve digital signatures for warrants, upon approval by Mr. Klausner. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Discussion moved to Mr. Myton's and Mr. Cole's presentations above.

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

There was no input from any active or retired plan members.

INPUT FROM THE PUBLIC:

There was no input from the public.

ADJOURNMENT:

Motion by Mr. Brock, seconded by Mr. Dorey to adjourn the meeting at 10:40 a.m. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.



Timothy W. Lancaster, Chairperson

ATTEST:



~~James W. Brock, Secretary~~

Jason Dorey, vice chairperson