
**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 19, 2023
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
Thomas “Pat” O’Neill - Trustee
Ed Syfrett - Trustee

Police Employees' Board

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

Fire Board Members Absent & Excused

Desiree Babbs – Trustee
Mike McCaleb - Trustee

Also Present: Madison Levine – Attorney (via video), Chad Little - Actuaries, Tyler Grumbles – Consultant, Frank Mega – Plan Administrators (Police), Julie Enright and Charlene Lehmann (General and Fire) – Plan Administrator and Assistant, Matthew Trine – Finance Director, Dr. Brenda Fettrow – City Manager, Inez Garcia – Custodian Salem Trust

I. Call to Order

General Employees' Board: Meeting called to order at 9:00 am by Brian Laughlin. A quorum was in attendance.

Fire Employees' Board: Meeting called to order at 9:00 am by Jeptha Sunday. A quorum was in attendance.

Police Employees' Board: Meeting called to order at 9:00 am by Chairman Burke. A quorum was in attendance.

II. Approval of Minutes

General Employees' Board: The minutes from the previous Pension Board meeting were presented for approval. A motion was made by Trustee Harris to approve the minutes as presented; the motion was seconded by Trustee Black and passed unanimously.

Fire Employees' Board: The minutes from the previous Pension Board meeting were presented for approval. A motion was made by Trustee Syfrett to approve the minutes as presented; the motion was seconded by Trustee O’Neill and passed unanimously.

Police Employees' Board: The minutes from the previous Pension Board meeting were presented for approval. A motion was made by Secretary Crawford to approve the minutes as presented; the motion was seconded by Trustee LaSata and passed unanimously.

I. New Business

Summary Plan Description (SPD) – The Plan Administrator provided an outline on the SPDs for each Plan and requirements for updating is every two years. For the Police and General Plan, SPD was last updated August 2020, and Fire Plan was November 2021. The Plan Administrator and Attorney added updating the SPD every two years is for compliance and providing to the City for member distribution. Open discussion took place among the Boards on the monitoring of the two-year requirement. The Attorney, Actuary, and Plan Administrators stated they do not know of any penalty if every two-year update compliance requirement extends some outside the two-year window. Open discussion took place among the Boards and the following motions were made:

General Employees' Board: A motion was made by Trustee Harris to approve the Attorney to update the Summary Plan Description (SPD) for presentation and approval at a future meeting as discussed; the motion was seconded by Trustee Poole and passed unanimously.

Fire Employees' Board: A motion was made by Trustee Syfrett to approve the Attorney to update the Summary Plan Description (SPD) for presentation and approval at a future meeting as discussed; the motion was seconded by Trustee O'Neill and passed unanimously.

Police Employees' Board: A motion was made by Trustee Kennedy to approve the Attorney to update the Summary Plan Description (SPD) for presentation and approval at a future meeting as discussed; the motion was seconded by Trustee LaSata and passed unanimously.

- *ACTION ITEM: Plan Administrator to work with Attorney on SPD update presentation to the Board at future meeting and City distribution to members upon Board approval.*

City Staff Online Access to Custodian Portal (Fire and General Plans)– The Plan Administrator provided a summary of the work being done to support the annual Audit with the City and vendors. As part of the reporting and data gathering confirmation process, City finance would benefit from having read only access to the Salem Trust Custodian Portal for Periodic and Lump Sum fiscal year payment reporting. The Plan Administrator added that reporting access is common in many other City pension plans and is beneficial to the audit process to timeliness and accuracy. Open discussion took place among the Board on what City department or personnel would have access to the Custodial Portal as part of this request. City Finance Director Matthew Trine outlined a limited scope of personnel who are part of the Finance department only would have access. Those personnel in question already have access in City systems to the type of information being requested on the Custodian Portal. The Plan Attorney added that there is no issue in providing access to the City and asked about the City's security policy. Matthew Trine added the City has several Security Policies in place and meet bi-weekly to review those policies. The Plan Administrator added that the Police have already approved access for the Police Plan at a previous meeting.

General Employees' Board: A motion was made by Trustee Harris to approve read only online access to City finance on Custodian portal as discussed; the motion was seconded by Trustee Maloney and passed unanimously.

Fire Employees' Board: A motion was made by Trustee O'Neill to approve read only online access to City finance on Custodian portal as discussed; the motion was seconded by Trustee Syfrett and passed unanimously.

- *ACTION ITEM: Plan Administrator to work with the Custodian to provide access to the Portal for General and Fire Plans.*

III. Investment Consultant

Tyler Grumbles of AndCo presented the quarterly investment performance and overview. US GDP growth is expected to wane in the coming quarters as the impact from higher interest rates continues to spread through the broader economy. The final measure of 1st quarter GDP was revised downward to 1.7%. Global GDP growth also remains challenged with higher energy prices continuing to act as a headwind, especially in Europe. China has fully reopened after almost three years of COVID-19 restrictions, which boosted estimates and performance for the region. The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with two successive 0.25% increases in the Fed Funds rate in January and February. While the Fed's policy remains hawkish on fighting high inflation, the press release from the February meeting took on a more dovish tone. The US labor market continues to show its resiliency, adding roughly 236 thousand jobs during the 1st quarter. As a result, the unemployment rate fell to 3.5% in March. Noticeably, the labor market is showing signs of declining growth which could soon signal an inflection point in economic output and the fight against inflation. The global banking sector came under duress in the 1st quarter of 2023, triggered by the second and third-largest regional bank failures in US history. The combination of aggressive Fed rate hikes and questionable capital deployment by Silicon Valley Bank led to a flurry of depositor withdrawals and rocked general confidence in the overall banking system.

General Employees' Board: The fund began the quarter at \$20,809,500 and finished with a quarterly balance of \$21,279,616. The Plan was (+) 4.29% for the quarter net of fees.

Fire Employees' Board: The fund began the quarter at \$13,609,301 and finished with a quarterly balance of \$13,933,494. The Plan was (+) 4.21% for the quarter net of fees.

Police Employees' Board: The fund began the quarter at \$17,079,195 and finished with a quarterly balance of \$17,585,644. The Plan was (+) 4.30% for the quarter net of fees.

II. Custodian Report

Update from Custodian - Salem Trust – Inez Garcia from Salem Trust provided an update from the Custodian perspective for the Plan. She mentioned day-to-day business and interaction with the Plan Administrator continues to run smoothly for all member payments and reporting.

Pension Portal – The Custodian introduced a new service for retirees sponsored by Salem Trust Company and U.S. Bank, Salem's trusted service provider of benefit payment services since 2013. This new service is being offered as a response to more frequent requests for quicker online assistance versus the traditional paper form-mailing process and to suppress mailed ACH deposit confirmations. The online "Pensioner Portal" service will provide easy access to many important items affecting a retiree's monthly pension payment:

Core Retiree Services on the portal:

- Confirm online the ACH direct deposit of the monthly pension – no more mailed ACH confirmations.
- Access current and 24 months of pension payment information.
- View the financial institution and account(s) of the monthly direct deposit.
- View and print tax forms. Tax forms will still be mailed.
- Access important documents pertaining to the pension plan, for example administration forms that contain contact information of service providers.

Optional Retiree Services – Selected by the Pension Plan:

- Change, add or modify deposits between accounts.
- Change the financial institution of the monthly pension payment.
- Change address.
- Change federal or state tax withholding.

An open discussion took place among the Board regarding costs and how long the portal has been deployed. The Custodian advised the portal has been deployed to other Plans for approximately 1 year and has no costs to the Plan. The Plans the Custodian currently has enrolled in the portal have a variety of services activated for the members which are offered as optional. The Plan Administrator added from what they have seen in their other plans, they vary in the optional services offered and rolled out to the retirees. For example, some Plans excluded the member from the ability to change direct deposit online due to concerns of fraud or oversight. Open discussion took place among the Boards, with positive feedback seeing the portal being beneficial for the tech savvy retirees.

- *ACTION ITEM: Plan Administrator to add to future meeting agenda for further discussion and direction.*

In addition, Inez provided a summary of how the Custodian performs death audits for the membership. The process is completed monthly by utilizing the services of PBI (Pension Benefit Information). Every month, every active member on the Custodian system, PBI is provided the member's social security number (SSN) and Date of Birth (DOB) and the information is compared against the following database sources:

- State Tax Reporting Agencies
- State Department of Vital Statistics
- Civil Service Commission
- Department of Defense
- Social Security Administration
- Railroad Retirement Board

If there are any matches made with PBI for a member, the Custodian notifies the Plan Administrator. The Plan Administrator added they perform an outbound call campaign to a member that appears on the death audit to contact the member or family. Should any contact not be made, or the confirmation is made the member has passed, the Plan Administrator notifies the Custodian to stop payments. Consensus of the Boards to use Salem death audit process in lieu of annual letters to retirees.

IV. Actuary Report

DROP Monies Distribution Policy - The Actuary reviewed in greater detail the DROP policy presented to the Board at a previous meeting. The DROP policy outlines the timing of distribution of DROP monies. The policy's purpose is to provide a portion of quarter end monies using an estimated return from the Consultant due to the Brookfield fund taking additional time to finalize. The policy allows for 95% DROP monies to be processed to member within 60 days of DROP exit and the remaining 5% within 180 days (or as administratively possible) once final quarterly results are available. He added that there is some language in the Policy that should be clarified and further defined. City Manager Dr. Fettrow addressed the Board and recommended using the Pension Board sub-committee, which currently reviews each Plan's annual rate of return, to review the Actuary's comments and sub-committee input. The sub-committee is comprised of one Trustee from each Board, City staff, and Pension Board service providers. Open discussion took place among the Board with positive feedback on the sub-committee. The Boards support using the annual sub-committee meeting, which meets Q1 of each Fiscal Year (FY), to review and discuss the suggested DROP Policy changes. After sub-committee review, the DROP Policy will be brought back the Boards for further review, discussion, and approval.

- *ACTION ITEM: Plan Administrator to work with sub-committee on final draft to be presented to Boards at future meeting.*

V. Attorney Report

The Plan Attorney advised the Board of a bill that was approved during the Florida Legislation session – House Bill 3, Government and Corporate Activism. This bill would require all Plans who continue to invest in ESG funds to provide some form of documentation to the State of Florida stating why they have chosen to invest in these funds. It is still to be determined what that document will contain, and Madison will continue to monitor the outcome of this bill and the additional reporting and supporting documentation and changes to the Investment Policy.

VI. Plan Administrator Report

The Plan Administrator reminded Form 1 Financial Disclosure requirement by July 1 annually.

The Plan Attorney spoke on the continuing education opportunities available through the FPPTA and the State. More information to be provided to the Trustees.

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

The Plan Administrator provided Fund expenditures for the General Employees' Plan to the Board for review and acknowledgement of quarter ending 03/31/2023. A motion was made by Trustee Harris to acknowledge receipt of the report as submitted; the motion was seconded by Trustee Poole and passed unanimously.

VII. Public Comment

Rockledge Fire Plan retiree Norris Park addressed the Board regarding considering a Cost-of-Living Adjustment (COLA). Mr. Park addressed all three Boards and provided a synopsis of his Rockledge Fire service and 27 years of service on the Cocoa Fire Pension Board as a Trustee. Mr. Parker walked through

a prepared presentation on different COLA options that can be considered by the Boards and various funding options. The options included fixed percent increases or annual 13th check lump sum amounts. Mr. Park additionally walked through different funding options the Board could consider which could be performance based on Fiscal Year End (FYE) earnings against a benchmark. Open discussion took place among the Boards on the COLA ideas and possibilities. The Actuary weighed in on the discussion of how the funding of any COLA is calculated and an overview of the COLA consideration process. Any benefit enhancement for Police and Fire Plans includes the Unions right to bargaining. Mr. Park closed his open comments period by thanking the Boards for their time and hopes future discussion will continue by the Boards for COLA consideration.

Last, Chairman Laughlin of the General Employees' Board advised his intent to not be considered to serve another term at the end of his current term. Chairman Laughlin was appreciative for his long tenure on the Board in serving the members and City.

- *ACTION ITEM: Plan Administrator to provide the Chairman Form 1F to complete upon completion of his term and work to with the City to fill the open position.*

VIII. Adjournment/Next Meeting

The meeting adjourned at 10:20 am. The next regularly scheduled Board of Trustees' meeting will be held on August 18, 2023, 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.

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