

**ROCKLEDGE FIRE EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES**

Friday, August 18, 2023

CALL TO ORDER

The Rockledge Fire Employees' Retirement Board held its quarterly meeting on Friday, August 18, 2023, in the Council Chamber of Rockledge City Hall, 1600 Huntington Lane, Rockledge, Florida.

MEMBERS PRESENT: Chairman Jeptha Sunday, Fifth Member Ed Syfrett, Fire Representative Mike McCaleb, Fire Representative Thomas "Pat" O'Neill, Resident Member

MEMBERS ABSENT: Desiree Babbs, Resident Member

CONSULTANTS/STAFF: Madison Levine, Board Attorney - Sugarman & Susskind
Chad Little, Actuary - Freiman Little Actuaries
Tyler Grumbles, Investment Consultant – AndCo Consulting
Julie Enright, Plan Administrator
Dr. Brenda Fettrow, City Manager
Matthew Trine, Finance Director

Chairman Sunday called the meeting to order at 9:00 a.m. A quorum was in attendance.

APPROVAL OF MINUTES

Quarterly Meeting of May 19, 2023

Member McCaleb moved to approve minutes of the May 19, 2023 joint quarterly meeting as submitted. Member Syfrett seconded the motion which carried unanimously.

OLD BUSINESS

Summary Plan Description

The Pension Attorney, Madison Levine, reviewed the Summary Plan Description revisions. Board discussed additional language to be included regarding beneficiary updates, ex-spouse beneficiary information and full plan description availability on the city website. Consensus of Board to direct Attorney to include changes discussed and review at the next quarterly meeting.

NEW BUSINESS

Annual Budget – Fiscal Year 2023/2024

Plan Administrator reviewed the proposed budget.

Member O'Neill moved to approve the administrative budget for Fiscal Year 2023/2024. Member Syfrett seconded the motion which passed unanimously.

Ratify travel expense reports/reimbursements for attendance at FPPTA Annual Conference

Member Syfrett moved to ratify the expense report for FPPTA travel. Member O'Neill seconded the motion which passed unanimously.

Board acknowledged receipt of 2022 premium tax distribution from the State of Florida in the amount of \$197,714.24

REPORTS & COMMUNICATIONS

Report: Investment Consultant (Tyler Grumbles, AndCo Consulting)

Investment Performance Report for quarter ended June 30, 2023

Mr. Grumbles presented the performance report and economic commentary for the quarter ended June 30, 2023.

The report noted the economy update as follows:

US equities moved broadly higher during the second quarter led by growth oriented sectors. The S&P 500 Benchmark rose 8.7% for the quarter, its best performing quarter since Q4-2021. Large-cap growth was the best-performing domestic segment of the equity market during the period while small-cap value, while positive, was the weakest relative performer for the quarter. International stocks experienced modest returns during the quarter. While China has fully reopened after almost three years of COVID-19 restrictions, there have been challenges associated with the region re-integrating with the global economy. While inflation continues to decline, the Fed maintained their inflation-fighting policy stance, increasing interest rates by 0.25% in May but opting to pause in June. The additional rate hike in May along with the possibility that additional rate hikes could occur in this tightening cycle, drove intermediate and long-term rates slightly higher during the quarter. US Government securities were the worst-performing sector during the quarter. US Treasuries lagged the corporate and securitized sectors as yields at longer maturities rose slightly and credit conditions were considered more favorable than the previous quarter. Short-term interest rates rose across most developed markets as central banks continued to tighten policy stances. Despite previous concerns about the potential for slowing economic growth, lower-quality corporate bonds outpaced higher quality government bonds as credit spreads narrowed. Growth rebounded from disappointing results in early 2022 and led value based benchmarks in all market capitalization ranges during the trailing year.

Total market value as of June 30, 2023 was \$14,250,965 up from \$13,970,014 for the previous quarter ending March 30, 2023. The quarterly return is 3.63%, and fiscal year to date return of 14.44%. Cash flow was reviewed.

Andco Consulting recommended change from ASB investment based on negative returns. It was noted that there is que to get out of the investment. The Plan currently has Stockbridge investment set up and waiting for the capital call to invest funds. Recommend as funds from ASB are available to place in fund pending another investment use or Stockbridge.

Member Syfrett moved to make full redemption from ASB. Member O'Neill seconded the motion which passed unanimously.

Andco Consulting provided an updated Investment Policy Statement to include House Bill 3 language, change of range for core real estate and change to ranking criteria.

Member Syfrett moved to adopt Investment Policy Statement as submitted. Member O'Neill seconded the motion which passed unanimously.

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

Nothing to report.

Report: Board Attorney (Madison Levine, Sugarman & Susskind)

The Plan Attorney updated the Board regarding House Bill 3. Pending receipt of language regarding reporting requirements.

Report: Plan Administrator (Julie Enright)

1. Educational Opportunities: Florida Public Pension Trustees' Association (FPPTA) – Fall Trustee School (October1-4)
2. Submitted documents to the City for posting on the website: History of investment returns, Section 112.664 Compliance Statement and Actuarial Valuation
3. Next meeting scheduled for November 17 Joint meeting at 9:00 am

City staff noted that the audit in process and need for pension plan information as requested. Staff also noted that a sub-committee meeting date will be sent to the Board representative and Actuary to discuss expected rate of return and DROP policy.

PUBLIC COMMENT

None

ADJOURN

Member McCaleb moved to adjourn the meeting. Member O'Neill seconded the motion which carried unanimously.

The meeting adjourned at 9:38 a.m.

Submitted by:

Approved by:

Julie Enright, Plan Administrator

Jeptha Sunday, Chairman