

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Quarterly Meeting 23-03**

Held on the 3rd day of February, 2023 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 9:03 a.m.

ROLL CALL:

CHAIRMAN:	Timothy W. Lancaster	Present
VICE CHAIRMAN:	Jason Dorey	Present
SECRETARY:	James W. Brock	Absent
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, Palm Bay Police and Firefighters' Pension Fund. Mr. Dale Robson, HR Generalist I, Human Resources Department, City of Palm Bay telephoned at 9:03 a.m. Mr. Larry Cole, Performance Manager, Burgess Chambers and Associates, Inc., and Mr. Blake Myton, Director, Senior Client Strategist, Sterling Capital Management, LLC, arrived at 9:29 a.m.

Motion by Mr. Dorey, seconded by Mr. Sacco to excuse Mr. Brock as he was running late. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Mr. Brock arrived at 9:05 a.m.

AGENDA REVISIONS:

Motion by Dorey, seconded by Mr. Sacco to change the agenda under Adoption of Minutes to read *January Special Minutes 23-02" and to add under New Business: *1. Warrants for Payment, i. Sterling Capital Management LLC-\$20,993.00-Investment Management Fees for Equity for 10/01-12/31/2022, (Police Fund Only); j. Sterling Capital Management LLC-\$15,954.00-Investment Management Fees for Equity for 10/01-12/31/2022, (Fire Fund Only); k. Sterling Capital Management LLC-\$9,868.00-Investment

Management Fees for Fixed Income for 10/01-12/31/2022, (Fire Fund Only); l. Sterling Capital Management LLC-\$15,177.00-Investment Management Fees for Fixed Income for 10/01-12/31/2022, (Police Fund Only); m. Advent Capital-\$14,896.91-Investment Management Fees for Quarter End 12/31/2022, (Police Fund Only); n. Advent Capital-\$14,451.74-Investment Management Fees for Quarter End 12/31/2022, (Fire Fund Only); 5. Office Business: g. Ken Williams, Air Conditioning Contract Renewal; h. Firefighter Retiree Anthony Gianantonio, Change in City Employment Status; i. Firefighter Roger Smith Request to Send Correspondence to Firefighter Retirees; k. Procedure Manual; 8. Memo Secure 2.0 Act; and 9. Termination of Recapture Agreement with Virtu Americas, LLC (Successor in Interest to KCG Americas, LLC). 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. Dorey, 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:

*January Special Minutes 23-02-The minutes were approved under Consent. Discussion moved to Old Business.

STERLING CAPITAL MANAGEMENT, LLC AT 9:30 A.M.:--CONTINUANCE (the Board considered this item out of order at 9:30 a.m. as noticed for time certain):

1. Mr. Blake Myton, Director, Senior Client Strategist

a. Quarterly Report-Mr. Myton said there was a management change and notification is an ADV requirement. Mr. Brickman left Equity and Mr. Lopez and Mr. Whitman were promoted. The market value on December 31, 2022 was \$73,199,776. He reviewed the asset allocation. Mr. Cole asked if the turnover rate was consistent? Mr. Myton said yes. Mr. Cole said he may want to look at that on the recapture.

**BURGESS CHAMBERS AND ASSOCIATES, INC. AT 9:45 A.M.:--CONTINUANCE
(the Board considered this item out of order at 9:45 a.m. as noticed for time certain):**

1. Mr. Larry Cole, Performance Manager

a. Quarterly Report-Mr. Cole said the Fund was off to a good start in January. The job report came out with a lot of new jobs. Unemployment dropped to 3.2%. There is volatility in the market. This is a long-term Plan with long-term investment goals. It was a good quarter. The one year numbers are negative. The Bond market had some issues over the last year. There are no compliance issues. The net of fee returns for December 31, 2022 is 5.2% with the market value being \$208,704,270. He said the portfolio is well diversified. He discussed the ranking and some asset classes. Polen, Allspring, and EuroPacific has a horrible year last year that hurt the portfolio. Infrastructure got hit hard last year due to office space. Housing is taking a hit due to interest rates. He recommended placing \$4 million in the queue with JP Morgan. He said it had been high in prior years, but it was the first time they dealt with a shutdown. The Ceredex Small Cap Value fund is up 14%. He recommended selling \$1 million out of the Sterling Equity Income Fund, and put \$500,000 into convertibles. Motion by Mr. Dorey, seconded by Mr. Sacco to sell \$250,000 from Advent Convertibles and \$250,000 from SSI and purchase \$500,000 in the Cohen and Steers Global Infrastructure. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Motion by Mr. Dorey, seconded by Mr. Sacco to have JP Morgan Strategic Fund put \$4 million in the queue. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Mr. Cole said it represents about two percent (2%) of JP Morgan assets. He will revisit it as it goes along.

b. Monthly Cash Transfer Letter-Motion by Mr. Dorey, seconded by Mr. Sacco to authorize a revised Monthly Cash Transfer Letter which include minor moves less out of fixed income and more out of equity growth. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea. Mr. Cole said he is done moving small and mid-cap transfers from Frontier Capital. Mr. Dale Robson left the telephone call at 10:20 a.m. Discussion moved to Office Business, f. Upcoming Events-Educational Opportunities below.

OLD BUSINESS:

- *1. DROP Returns for December 31, 2022-Gross returns for December 31, 2022 was 5.40 percent and 5.25 percent, net of fees. This item was approved under consent.
2. Digital Signature and E-Documents-Staff training is scheduled for February 15th. Ms. Klausner Parish, Board Attorney, stated beneficiary forms do not have to be notarized.
3. Holiday Pay Calculations-Mr. Lancaster met with Mr. Wojciechowski, City Finance Director, and confirmed everything is OK.
4. Police Physicals-Mr. Klausner's memo was read stating to qualify for the presumptive disease protections, a participant must have a "clean" physical prior to entry into the Plan. A physical given prior to entry into the police academy is of less value. Recruits are not "police officers" for the purposes of Plan membership. Injuries or illnesses suffered in the academy and prior to certification do not entitle a recruit to disability retirement. What matters to the Plan is the physical condition of the member at the time of entry into the Plan. A recruit does not meet the test. Therefore, a physical prior to entry in the service as a police officer will afford the most accurate view the member's eligibility for the protections of the statutory health presumptions.
5. Early Retirement and Share Funds-Last April Mr. Klausner stated a member who is eligible for early retirement and separates from service, must simultaneously apply, and apply for early retirement benefits or forfeit their Share account. In those situations, the member may gain or lose interest and would have no new share monies credited to their account. They could not be rehired by the city. The Board previously adopted a policy to allow deferred early retirement for Police and Fire members when they are terminating with both Share Plans to follow deferment guidelines. Mr. Donlan, Board Actuary, members can defer commencement, but that is different than vested terminated.
6. Review of FPPTA School-Mr. Kiszkiel and Ms. Tabares passed the Basic Program; Mr. Sacco passed the Advanced Class. Mr. Lancaster said there were problems logging in. They had some better speakers.
7. Long Range Planning Session Project List-The Board reviewed the list and acknowledged.

NEW BUSINESS:

*1. Warrants for Payment:

- *a. Salem Trust-\$20,385.22-Account Management Fee for 10/01-12/31/2022, Fee A/C Number M69930-This item was approved under Consent.
- *b. Burgess Chambers and Associates, Inc.-\$20,870.42-Performance Monitoring and Advisory Fee for 12/31/2022, Invoice 23-45-This item was approved under Consent.
- *c. Allspring Global Investments-\$9,069.49-Management Fee for 10/01-12/31/2022, Invoice 14025277 (Police Fund Only)-This item was approved under Consent.
- *d. Allspring Global Investments-\$4,580.53-Management Fee for 10/01-12/31/2022, Invoice 14025281 (Fire Fund Only)-This item was approved under Consent.
- *e. DePrince, Race, and Zollo, Inc.-\$717.00-Management Fee for 12/15-12/31/2022, Invoice 202204095 (Fire Fund Only)-This item was approved under Consent.
- *f. DePrince, Race, and Zollo, Inc.-\$740.00-Management Fee for 12/15-12/31/2022, Invoice 202204096 (Police Fund Only)-This item was approved under Consent.
- *g. SSI Investment Management-\$14,466.00-Management Fee 10/01-12/31/2022, Invoice 002023-0031 (Police Fund Only)-This item was approved under Consent.
- *h. SSI Investment Management-\$14,044.00-Management Fee 10/01-12/31/2022, Invoice 002023-0032 (Fire Fund Only)-This item was approved under Consent.
- *i. Sterling Capital Management LLC-\$20,993.00-Investment Management Fees for Equity for 10/01-12/31/2022, (Police Fund Only)-This item was approved under Consent.
- *j. Sterling Capital Management LLC-\$15,954.00-Investment Management Fees for Equity for 10/01-12/31/2022, (Fire Fund Only)-This item was approved under Consent.
- *k. Sterling Capital Management LLC-\$9,868.00-Investment Management Fees for Fixed Income for 10/01-12/31/2022, (Fire Fund Only)-This item was approved under Consent.

*l. Sterling Capital Management LLC-\$15,177.00-Investment Management Fees for Fixed Income for 10/01-12/31/2022, (Police Fund Only)-This item was approved under Consent.

*m. Advent Capital-\$14,896.91-Investment Management Fees for Quarter End 12/31/2022, (Police Fund Only)-This item was approved under Consent.

*n. Advent Capital-\$14,451.74-Investment Management Fees for Quarter End 12/31/2022, (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-New member applications and beneficiary forms were accepted and approved on Police Officers Mark Hubbard and James Barnett; a member beneficiary change was accepted and approved on Firefighter Sean Casey; Share Plan beneficiary forms were accepted and approved for Police Officers Mark Hubbard and James Barnett. These items were approved under Consent.

3. Annual Review of Office Manager Mary K. Taglia-Polak-Mr. Klausner's email was read. Mr. Lancaster may evaluate Ms. Taglia-Polak, but his determination must be a recommendation for the Board to decide final action. If the Chairman had the authority alone to take final action, any such interview would be required to be noticed as a meeting and open to the public. All decisions concerning compensation of Plan employees should be made collegially by the Board of Trustees as a matter of good fiduciary practice. Motion by Mr. Dorey, seconded by Mr. Sacco to delegate Mr. Lancaster to conduct Ms. Taglia-Polak's review and to make a recommendation to the Board at the following meeting for determination of any pay change. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea

4. Board Business-Ms. Adams said Ms. Garcia from Salem-TMI will be attending the March Board meeting. Mr. Donlan plans to present the actuarial valuation reports at the April meeting. Ms. Adams met with Ms. Taglia-Polak and trained her on Siteimprove and printing and sorting Ms. Janes' monthly financial reports. She will be responsible for these two tasks moving forward. She was added as an "authorized owner" on Siteimprove so she can receive emails and reports. The annual invoice from Siteimprove should arrive soon. Ms. Adams will be calling Siteimprove and LRS Web support contacts in the next couple of weeks to introduce Ms. Taglia-Polak. Ms. Taglia-Polak will be responsible for updating the annual Retiree Direct Deposit Schedule prepared in December for Web

posting on the retiree page. Ms. Adams said she will be changing the photos on the web site to include only the chair, vice chair and secretary. If any of those want to update the photos, send them to her. She will be removing all the photos, except those three (3) on the front entryway. The frames were purchased through AI's Trophy, and they moved or went out of business.

5. Office Business

- a. Annual State Report-This item is pending receipt of the final copy of the audit.
- b. Archive Management-We received a credit for \$13.50 for the months of August, September, October, and November. The December bill was correct, and they took off another \$13.50.
- c. Go To Meeting and/or Zoom Programs-There was discussion about the two programs. Ms. Taglia-Polak said the price is about the same. Zoom is free up to 45 minutes and orientation meetings can be longer. The cost is approximately \$149.00 per year per user. Motion by Mr. Dorey, seconded by Mr. Sacco to authorize the purchase and set-up of Zoom for three (3) employees. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.
- d. Equipment Upgrades and Purchases, Sprint T-Mobile Phone-There are no upgrades or purchases.
- e. Employee VISA Invoice Review for January-Ms. Taglia-Polak was charged taxes at the Division of Retirement School and hotel parking. Credits were applied on her VISA.
- f. Upcoming Events-Educational Opportunities-The upcoming NCPERS Conference was discussed. Mr. Myton and Mr. Cole arrived at 9:29 a.m. Discussion moved to the presentations above. After their presentations, discussion continued.

Ms. Taglia-Polak said NCPERS changed their address. Motion by Mr. Dorey, seconded by Mr. Sacco to approve a new recurring warrant for NCPERS due to an address change. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.

g. Ken Williams, Air Conditioning Contract Renewal-No price change. Motion by Mr. Dorey, seconded by Mr. Sacco to approve the one year contract with Ken Williams Air Conditioning. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; and Mr. Lancaster, Yea.

h. Firefighter Retiree Anthony Gianantonio, Change in City Employment Status-If going fulltime, he would have to forfeit his pension. He withdrew request.

i. Firefighter Roger Smith Request to Send Correspondence to Firefighter Retirees-Member decided not to move forward with this.

k. Procedure Manual-Ms. Taglia-Polak is adding to the procedure manual for request for Board approval at the March meeting.

6. Application for Disability, Police Officer Joseph V. Moreno-This is pending. The IME physician was approved but it is unknown if the appointment has been scheduled.

7. Application for Disability Police Officer Christopher Jones-This is pending. Various records have been requested.

8. Memo Secure 2.0 Act-Ms. Adams said she went through it and noted some items. She will get with Ms. Taglia-Polak to determine what changes need to be implemented. The "Frequently Asked Questions" web page may have to be updated. Mr. Lancaster requested this item to be posted on the pension website.

9. Termination of Recapture Agreement with Virtu Americas, LLC (Successor in Interest to KCG Americas, LLC)-Acknowledged by the Board. Mr. Cole said he did not have another company to add, and recommended letters be sent to investors updating the companies available. Ms. Taglia-Polak will follow-up on that. Mr. Cole said the

appropriate term for this income is commission recapture fees, not 12b-1 fees.

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.

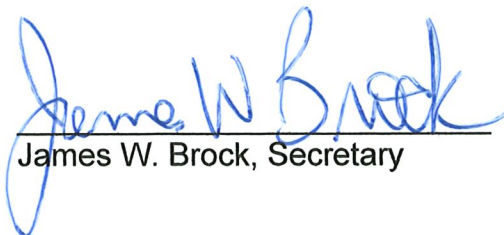
ADJOURNMENT:

Motion by Mr. Brock, seconded by Mr. Sacco to adjourn the meeting at 10:29 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. Mr. Cole and Mr. Blake left the meeting.



Timothy W. Lancaster, Chairman
Jason Dorey, Vice Chairman

ATTEST:



James W. Brock, Secretary