

**PALM BAY POLICE AND FIREFIGHTERS' PENSION
PLAN BOARD OF TRUSTEES
Quarterly Meeting 24-08**

Held on the 2nd of August, 2024 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 9:01 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. Katie Taglia-Polak, Executive Director, Palm Bay Police and Firefighters' Pension Fund; Mr. Sean Sendra, Board Attorney, Klausner, Kaufman, Jensen and Levinson, P.A telephoned at 9:01 a.m.; Mr. Kurt Wood, Partner and Mr. Randy Renfrow, Lead SMID Cap Value Portfolio Manager, DePrince, Race and Zollo, Inc. arrived at 9:01 a.m.; Ms. Sharon Gray, Human Resources Generalist II, Human Resources Department, City of Palm Bay, telephoned at 9:04 a.m.; Mr. Larry Cole, Performance Manager, Burgess Chambers and Associates arrived at 9:15 a.m.; Mr. Blake Myton, Director, Sterling Capital Management arrived at 9:31 a.m.; Mr. David Church, President and Mr. Mark Mageau, Vice President, Computer Experts, LLC arrived at 9:55 a.m.

AGENDA REVISIONS:

Motion by Mr. Brock, seconded by Mr. Kiszkiel under Computer Experts, after David Church add President and Mr. Mark Mageau, Vice President of Managed Services. Under New Business 1. Warrants, add consent item aa. Burgess Chambers and Associates-\$22,813.84-Performance Monitoring and Advisory Fee for 6/30/2024, Invoice 24-02. Under 9 Employee Evaluations remove Samantha and Alice coming up on anniversaries

in Oct. Katie to do with Tim in Aug. Will be in Sept. meeting for increase to take place in Oct. Patricia in Nov. Add 10. Active Police Officer Beneficiary Form and 11. Active Police and Fire Addresses. Move Ron Lugo to consent item *12. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.

CONSENT AGENDA:

Motion by Mr. Brock, seconded by Mr. Brock 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; Mr. Lancaster Yea.

ADOPTION OF MINUTES:

*1. July Regular Minutes 24-07-This item was approved under consent.

APPLICATION FOR THE 5TH TRUSTEE POSITION:

1. Timothy W. Lancaster-Motion by Mr.Sacco, seconded by Mr. Kiszkiel to approve the appointment of Mr. Lancaster to the fifth (5th) Trustee position and direct Ms. Taglia-Polak to notify the city clerk for ministerial appointment by the council. Florida State Statutes require the motion to be made by the other four (4) trustees. Mr. Lancaster did not vote and completed a Form 8B. Motion carried with members voting as follows:

Mr. Dorey, Yea
Mr. Brock, Yea
Mr. Sacco, Yea
Mr. Kiszkiel, Yea

Discussion continued to Old Business 1.

DEPRINCE, RACE AND ZOLLO, INC., AT 9:15 A.M.

1. Mr. Kurt Wood, Partner, Director of Client Service and Mr. Randy Renfrow, Lead SMID Cap Value Portfolio Manager

a. Report-Mr. Renfrow has been with DRZ since 2008. Mr. Wood said what DRZ does for Palm Bay is SMID. NY State hired them in July. They have one office in Winter Park. DRZ manages \$5.3 billion. The average tenure at DRZ is fifteen (15) years. He admits they've stumbled some since Palm Bay hired them. They look for a company that pays at least a one percent (1%) dividend yield. If something that is trading cheap they try to understand why. Every day employees start their day at 7:30 a.m. with a call. As of June 30, 2024, the dividend yield is 3.2%, the index is 2%. Their longer-term results are better than the benchmark. Mr. Myton arrived at 9:31 a.m. Mr. Renfrow said we have been in a spaghetti economy the last few years. We are at extremes. Palm Bay's portfolio has been conservative in its structure. A mistake was they sold more aggressive companies too early. They are strongly adhering to their process. Earnings in the last week have been much better. July was a good month and there was a strong start to August. Perrigo is the largest in the portfolio. They make healthcare products. One of the products is infant formula. A year ago, there was a new CEO. Perrigo's biggest competitors had deaths from contamination. Perrigo spent extra money to make sure the formula was safe. It is a higher quality company. They also have private label cold and flu medicine. DRZ will work on doing a better job of picking stocks and hold off on selling longer. Mr. Renfrow said he takes full responsibility for the shortfall. They are still executing their process and working to deliver. Mr. Cole pointed out for three (3) and five (5) years DRZ is still ahead of the benchmark. The issue for Palm Bay was timing. Long term numbers look good. The market has broadened. Tech stock cannot continue. The Mag 7 is priced to perfection. Mr. Renfrow said things are slowing. Hotels are slowing. Mr. Cole said negative news and the market reacted negatively. In the past if there was negative news the market would react positively. Diversification has hurt the Fund. Mr. Cole recommends staying patient with DRZ. Mr. Sacco said they mentioned new clients. Have any clients left recently? The response was no. Mr. Cole said there is a big rotation to small and mid from large cap. Mr. Wood and Mr. Renfrow left at 9:50 a.m.

STERLING CAPITAL MANAGEMENT CO., LLC AT 9:35 A.M.

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

a. Quarterly Report-Sterling was right on the benchmark for the quarter. Tesla and Apple dropped off the Mag 7, making it the Mag 5. Equity struggled in July because

of Microsoft. Mr. Church and Mr. Mageau arrived at 9:55 a.m. Companies with good balance sheets outperform over time. The election will produce volatility.

BURGESS CHAMBERS AND ASSOCIATES, INC. AT 9:50 A.M.

1. Mr. Larry Cole, Performance Manager

a. Preliminary Quarterly Report-The last time Mr. Cole saw this kind of concentration in the market was in the 1990s. It was the dotcom era. 30% of earnings came from Nvidia. 58% came from Nvidia, Microsoft, Meta, Amazon and Alphabet. Fiscal year to date the fund is up about 14%. Fixed income is a nonevent. The Fund moved about \$20,000,000.00 into bonds They dollar averaged into bonds. There are no compliance issues. Down 0.3% for the quarter. There is \$4,000,000.00 left to Fund Churchill. Mr. Cole expects significant improvement in the performance once the market rotates out of tech. Sterling was one of the best. Polen had a terrible quarter. Mr. Cole would like to have Polen come in at the next quarterly meeting. It is too late to take money away from them. They have a good track record. Mr. Sacco pointed out the five (5) year number is positive. Allspring is doing better, they offset Polen. Frontier came to a Board Meeting one year ago. Real estate was not good. The Fund is already in the queue to withdraw from JPMorgan. There is still \$2,700,000.00 to go. Transaction activity is starting to pick up. Motion by Mr. Brock, seconded by Mr. Kiszkiel to approve Sterling and Burges Chambers and Associates quarterly reports. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.

b. Monthly Cash Transfer Letter-The R&D Balance is getting large, additionally we expect the state money soon. Mr. Cole recommends pausing the monthly cash transfer until further notice. Motion by Mr. Brock, seconded by Mr. Kiszkiel to pause the monthly cash transfer to the R&D account until further notice. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.

c. Interfund Transfer-\$7,500 from General-Once a year General reimburses the R&D account. It is suggested to transfer \$7,500 worth of Schwab US Broad Market ETF held in the General mutual fund account and transferred to the R&D Account. Motion by Mr. Brock, seconded by Mr. Kiszkiel to transfer \$7,500 from the General mutual fund

account to the R&D Account. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.

COMPUTER EXPERTS 10:20 A.M.

1. Mr. David Church, President and Mr. Mark Mageau, Vice President of Managed Services

a. Contract Renewal-Mr. Lancaster began explaining Computer Experts and Mr. Sendra are trying to work out the wording of the contract. There is a long-standing relationship and we want to keep it. The issue is the public records language. We value the relationship with Computer Experts. Mr. Sendra said the contract renewal is every two (2) years. Ms. Taglia-Polak sent the contract to Mr. Sendra for review. That is the process that occurs traditionally. Mr. Sendra and Mr. Church have had a couple conversations. Most the issues have been cleared up within the conversations. On July 31, 2024 Mr. Church provided Mr. Sendra with information. Mr. Sendra is in the process of reviewing it. He is working on making sure the contract complies. Mr. Lancaster spoke with Mr. Church and Mr. Sendra. To be clear this contract is not a deadline for today. Mr. Church said the statute states a contractor performing work on behalf of the Fund would be subject to public record. In 2018 the statute added all vendors over \$10,000,000.00. In 2016 is was all vendors. Computer Experts provides services to the Fund but not on behalf of. They do not do anything for the members. Mr. Mageau added they only provide services to the trustees and employees. Mr. Sendra said there are multiple ways to asses. He is open to review. He is working his way through he past three (3) cycles and he is researching further. If the Board agrees they can approve it, but it opens up to liability. The request would go to the public agency then the agency requests information from the vendor. Most likely scenario is that won't happen but cannot see into the future. Mr. Lancaster requested to bring back a contract everyone can live with to the September meeting. Mr. Sacco asked when it was due to renew? Mr. Church said it was signed August 5, 2022. The current contract does not end until September 30, 2024. Ms. Taglia-Polak requested the contract otherwise it would have continued with the existing. Mr. Kiszkiel said he no longer needs his duo fob to log into his email. Mr. Maugeau said when it is used the first time it remembers the device until you buy a new one. Mr. Church said if you enter credentials more then one time it can be scanned. If that happens call Computer Experts. Mr. Mageau said there are hacks for two factors now. Mr. Church and Mr. Mageau left the meeting at 10:46 a.m.

OLD BUSINESS:

1. Palm Bay Professional Firefighters, IAFF, Local 2446 Negotiations-This item is pending. It is still being written.
2. Fraternal Order of Police Negotiations-Motion by Mr. Brock, seconded by Mr. Kiszkiel to adopt the Impact Statement and draft Ordinance and to send the draft Ordinance and Impact Statement to the city clerk and city attorney for review and presentation to city council. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.

NEW BUSINESS:

- *1. Warrants for Payment
 - *a. Truist Commercial Checking Account-\$1,956.95-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Timothy Lancaster's VISA-This item was approved under consent.
 - *b. Truist Commercial Checking Account-\$780.00-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Jason Dorey's VISA-This item was approved under consent.
 - *c. Truist Commercial Checking Account-\$780.00-Reimbursement to the Truist Commercial Checking Account for Auto Pay for James Brock's VISA-This item was approved under consent.
 - *d. Truist Commercial Checking Account-\$1,010.04-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Anthony Sacco's VISA-This item was approved under consent.
 - *e. Truist Commercial Checking Account-\$765.20-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Benjamin Kiszkiel's VISA-This item was approved under consent.
 - *f. Truist Commercial Checking Account-\$1,010.04-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Patricia Lindsay's VISA-This item was approved under consent.
 - *g. Truist Commercial Checking Account-\$1,010.04-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Alice Tabares' VISA-This item was approved under consent.

- *h. Truist Commercial Checking Account-\$780.00-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Samantha Bertolini's VISA-This item was approved under consent.
- *i. Truist Commercial Checking Account-\$780.00-Reimbursement to the Truist Commercial Checking Account for Auto Pay for Mary Taglia-Polak's VISA-This item was approved under consent.
- *j. Salem Trust-\$22,918.36-Account Management Fee for 4/1-6/30/2024, Fee A/C Number M69930-This item was approved under consent.
- *k. DePrince, Race, and Zollo, Inc.-\$4,361.00-Management Fee for 4/1-6/30/2024, Invoice 202402079 (Fire Fund Only)-This item was approved under consent.
- *l. DePrince, Race, and Zollo, Inc.-\$4,503.00-Management Fee for 1/1-3/31/2024, Invoice 202402080 (Police Fund Only)-This item was approved under consent.
- *m. SSI Investment Management-\$11,408.00-Management Fee 4/1-6/30/2024, Invoice 002024-0144 (Police Fund Only)-This item was approved under consent.
- *n. SSI Investment Management-\$11,410.00 Management Fee 4/1-6/30/2024, Invoice 002024-0145 (Fire Fund Only)-This item was approved under consent.
- *o. Eagle Asset Investment Management-\$1,524.99-Management Fees for Billing Period 4/1-6/30/2024, Invoice 041000695642 (Police Fund Only)-This item was approved under consent.
- *p. Eagle Asset Investment Management-\$565.08-Management Fees for Billing Period 4/1-6/30/2024, Invoice 943760769556 (Fire Fund Only) Warrants for Payment-This item was approved under consent.
- *q. Advent Capital-\$11,565.86-Investment Management Fees for Quarter End 6/30/2024, (Police Fund Only)-This item was approved under consent.
- *r. Advent Capital-\$11,562.35-Investment Management Fees for Quarter End 6/30/2024, (Fire Fund Only)-This item was approved under consent.
- *s. Polen Capital Management-\$14,819.76-Management Fees for 4/1-6/30/2024 (Police Fund Only)-This item was approved under consent.
- *t. Polen Capital Management-\$6,303.19-Management Fees for 4/1-6/30/2024 (Fire Fund Only)-This item was approved under consent.
- *u. Allspring Global Investments-\$6,727.35-Management Fee for 4/1-6/30/2024, Invoice 4401049601 (Police Fund Only)-This item was approved under consent.

- *v. Allspring Global Investments-\$3,399.38-Management Fee for 4/1-6/30/2024, Invoice 4401049631 (Fire Fund Only)-This item was approved under consent.
- *w. Sterling Capital Management LLC-\$18,887.00-Investment Management Fees for Equity for 4/1-6/30/2024 (Police Fund Only)-This item was approved under consent.
- *x. Sterling Capital Management LLC-\$14,774.00-Investment Management Fees for Equity for 4/1-6/30/2024 (Fire Fund Only)-This item was approved under consent.
- *y. Sterling Capital Management LLC-\$14,480.00-Investment Management Fees for Fixed Income for 4/1-6/30/2024 (Fire Fund Only)-This item was approved under consent.
- *z. Sterling Capital Management LLC-\$20,639.00-Investment Management Fees for Fixed Income for 4/1-6/30/2024 (Police Fund Only)-This item was approved under consent.
- *aa. Burgess Chambers and Associates-\$22,813.84-Performance Monitoring and Advisory Fee for 6/30/2024, Invoice 24-402-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 beneficiary forms were accepted and approved on Police Officers Victor Larracuente, Juan Morales, Jacia Schick, Emily King and Terrence Council; Member beneficiary forms were accepted and approved on Police Officers Aaron Arndt and William Debusk; Share Plan designation forms were accepted and approved on Police Officers Victor Larracuente, Juan Morales, Jacia Schick, Emily King and Terrence Council-This item was approved under consent.

3. Office Business

- a. Equipment Upgrades and Purchases-Ms. Taglia-Polak asked if the Board wanted purchase new business cards for Mr. Kiszkiel, Ms. Tabares and Ms. Bertolini to add CPPT or finish the boxes that they currently have? Mr. Lancaster said use what we already have.

- b. Employee VISA Invoice Review for June-All employees Visas had FPPTA hotel room charges.
- c. Upcoming Events-Educational Opportunities-Ms. Taglia-Polak reviewed the upcoming training events. She typed a Training Policy for Employees reflecting the changes the trustees made at the last two meetings. There were no questions or revisions by the Board. Motion by Mr. Brock, seconded by Mr. Kiszkiel to approve the Training Policy for Employees. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.
- d. Office Security-Smart Alarm will not make changes. Ms. Lindsay reached out to ADT. They provided a quote with a monitoring system. Ms. Lindsay is waiting to hear back if they can install without a monitoring contract. Mr. Sacco suggested Wyze with Lorex cameras. Ms. Lindsay is to contact Mr. Sacco regarding Wyze.
- e. Cost of Living Allowances- Pro-rated Cost of Living Allowances (COLAS) are in September and regular Cost of Living allowances come up in October. Motion by Mr. Brock, seconded by Mr. Kiszkiel to approve prorated COLAS. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea. Motion by Mr. Brock, seconded by Mr. Kiszkiel to approve regular Cost of Living Allowances. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Sacco, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster Yea.
- f. Affidavits-The office has received 64 out of 99 Fire affidavits sent out. The office received 1 out of 1 General affidavit sent out. The Office has received 61 out of 118 Police Affidavits sent out. The members have until August 9, 2024 before staff begin calling them. Mr. Cole arrived at 9:15 a.m.
- g. Proposed Meeting Schedule-There are two proposed schedules. One continuing with the meetings two months after the quarter ends. One with meetings three months after quarter ends. This would prevent Mr. Cole providing preliminary reports and then final a month later. Mr. Cole said others don't reissue reports. He would like to lag by a quarter, it is standard

practice. Ms. Taglia-Polak remembered Mr. Donlan had suggested that, but did not think the auditors were okay with it. Mr. Cole will discuss with the auditors. The Meeting Schedule was tabled. Discussion continued to DePrince, Race and Zollo, Inc.

4. Disability Rehire Question-There is a possibility an officer separated two weeks ago for an alleged injury. They filled out paperwork for disability. The person reached maximum medical improvement (MMI). The City wants to hire the officer in a civilian position. Mr. Sacco asked if the officer was already separated? Ms. Taglia-Polak said it is unknown at this time. Mr. Sendra said in the ordinance section 55.18H Miscellaneous it discusses some issues for those from 2004-2011. The easier way is to add re employment provisions. There are tax implications if done improperly. Additionally, disabilities are more complicated because of the IRS. Normally when someone leaves the City they are re-employed as something other than police or fire. There must be a bona fide separation. There is an IRS private letter that if there is no bona fide separation it appears to be a sham retirement. For a bona fide separation there is no timeframe. Additionally, there can be no pre-arranged agreement. Mr. Sacco asked about putting out details instead of contacting Mr. Klausner's office each time someone wants to be rehired. Mr. Sendra said the prudent way would be to draft language in the ordinance. Mr. Lancaster said the FOP would have to agree. Mr. Sacco asked if someone is rehired in the City, then applies for a different position would that go to Mr. Klausner's Firm to be reevaluated? Mr. Sendra said the Plan can reassess if a person is still disabled. Mr. Sacco asked if a member can medically retire, then come back into the Plan? Mr. Sendra said normal retirement is different. It is complicated. The Fund is a tax-exempt entity.
5. State Funding for Police-This item is pending. We do not have the amounts yet. It is usually the end of August.
6. State Funding for Fire-This item is pending.
7. Network Solutions-Domain names up for renewal are pbpfpf.biz and pbpfpf.info. Pbpfpf.biz was renewed in July for \$264.90 and pbpfpf.info will renew April 2025. Pbpfpf.org does not expire until 2037. Motion by Mr. Brock, seconded by Mr. Kiszkiel to approve the renewals for domain names pbpfpf.biz and pbpfpf.info. Motion carried with

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

8. Audit-Ms. Taglia-Polak had the pre-audit conference call with the Mr. Kinsel, Mr. Donlan and Ms. Janes. During this call dates are reviewed. Mr. Kinsel requested to move the on-site portion of the audit a week later. Ms. Taglia-Polak confirmed this would not affect the timing of the audit since they can pull most documents from the portal. Mr. Kinsel said that is correct, it will not affect how quickly it is completed. The on-site audit will be December 10, 2024.

9. Employee Evaluations-Ms. Bertolini and Ms. Tabares' anniversaries with the Plan are coming up in October. Ms. Taglia-Polak needs to schedule a time with Mr. Lancaster so these will be ready for the September meeting for October increases.

10. Active Police Officer Beneficiary Form-An officer added additional sentences and did not provide all his beneficiary information on a beneficiary form. Ms. Lindsay explained it gave him an opportunity to change his beneficiary at the same time. Additionally, sometimes beneficiaries move with the member (if it's a spouse or child). She asked him to complete it correctly, he did not want to. Mr. Sacco will follow up with the officer and have him correctly fill out a beneficiary form.

11. Active Police and Fire Addresses-Ms. Lindsay and Ms. Tabares have called Police Officers and Firefighters who have returned mail for a current address. Police and Fire who are not responding or providing updated addresses are as follows: Firefighters Benson Hay, Kaylin Mitchell, Luis Rodriguez, Adam Veres. Ms. Taglia-Polak spoke with Brandon McKee, he will come to complete a form. Police Officers are Chelo Zamor, Mark Garcia, Michelle Jarosz, Gyro Diaz, Caitlynn Trenor, Kevin Smith, Sean Rollins, Casey Rae, Wesley Ferino. Mr. Sacco and Mr. Dorey were provided the list of names.

*12. Termination Refund/Rollover or Vested Termination, if Eligible, Police Officer Ron Lugo-This item was approved under consent.

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

There was no input from active or retired plan members.

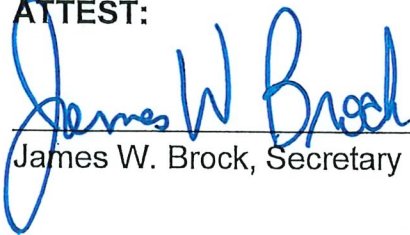
INPUT FROM THE PUBLIC:

There was no input from any the public.

ADJOURNMENT:

Motion by Mr. Brock, seconded by Mr. Kiszkiel to adjourn the meeting at 11:14 a.m.
Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster, Yea.

ATTEST:


James W. Brock, Secretary


~~Timothy W. Lancaster, Chairman~~
Jason Dorey, vice Chairman