

**CITY OF WEST MELBOURNE
POLICE OFFICERS' RETIREMENT BOARD
APRIL 24, 2024**

The West Melbourne Police Officers' Retirement Board held its quarterly meeting on Wednesday, April 24, 2024 in the Police Department Training Room, 2290 Minton Road, West Melbourne, Florida.

MEMBERS PRESENT: Chairman Scott Morgan (resident member)
Secretary Jennifer Curran (fifth member)
Graig Erenstoft (police member)
Pat Bentley (resident member)
James Parsons (police member)

CONSULTANTS: Marcus Braswell, Board Attorney—*Sugarman, Susskind et al**
Kerry Richardville, Consultant – *Mariner Institutional**
Karan Rounsavall, Plan Administrator

Chairman Morgan called the meeting to order at 10:00 a.m. A quorum was in attendance. *Virtual presence – Attorney Braswell and Kerry Richardville attended the meeting via communications media technology (Zoom platform hosted by the City of West Melbourne).

APPROVAL OF MINUTES

Member Curran moved to approve minutes of quarterly meeting January 31, 2024 as submitted. Member Erenstoft seconded the motion; it carried unanimously.

OFFICER AND TRUSTEE REPORTS - None

PROCESSED DISBURSEMENTS/RECEIPTS

Member Curran moved to approve plan expenditures for the second quarter of Fiscal Year 2023/2024 (January 1, 2024 through March 31, 2024) in the amount of \$39,935.52 and to acknowledge receipts to the plan in the amount of \$149,464.07 (Reference Plan Administrator's memo dated April 8, 2024 for detail.) Member Bentley seconded the motion which carried on an all-yes vote.

Total disbursements during the quarter were \$259,686.82 which included monthly benefit payments to retirees in the amount of \$217,166.13, refunds of \$6,585.17, and expenses noted above.

CONSULTANT REPORTS

A. Kerry Richardville – Mariner Institutional (Investment Consultant)

- Performance Report for quarter ended March 31, 2024

Mrs. Richardville advised that the acquisition of AndCo Consulting by Mariner Institutional was effective as of April 2, 2024. The transition was going smoothly with the only noticeable change being new email addresses. She went on to present the investment performance report and economic commentary for the quarter ended March 31, 2024. The economy remained strong. While the Federal Reserve held steady on any interest rate cuts during the first quarter, domestic equities rallied on expectations of a more favorable interest rate environment later in 2024. Growth sectors continued to outperform value. International equities were also positive while fixed income was slightly negative. Markets overall experienced some pullback in April.

All asset classes remained within acceptable ranges although equities were very close to target. Mrs. Richardville would continue to watch this, however, there was no recommendation for rebalancing currently.

Total market value as of March 31, 2024 was \$21,627,111 up from \$20,643,300 for the previous quarter ended December 31, 2023. On a percentage basis, the composite portfolio was up 5.33 percent for the quarter (gross) outperforming the fund policy of 4.98 percent. For the fiscal year, the fund was up 13.17 percent. Trailing one-year performance was positive at 13.04 percent. (Note: Percentile rankings of public plans were unavailable at the time of report publication as were final quarterly returns for infrastructure and real estate holdings.)

As directed by the board at its previous meeting, a full redemption request of the fund's position in the ASB Allegiance Real Estate Fund was accomplished as of March 31, 2024. It would take some time for the full redemption to work through the exit queue.

The board accepted the investment performance report as submitted.

B. Marcus Braswell – Sugarman, Susskind, Braswell & Herrera (attorney)

- Legislative Update

Attorney Braswell advised there was nothing to report from a legislative standpoint as it related to local public pension plans.

C. Karan Rounsavall - Plan Administrator

- Acknowledge refund of member contributions for Josue Martinez (non-vested member) in the amount of \$6,182.83
- Acknowledge final refund of member contributions for Sandra Jenkins (partially vested member) in the amount of \$4,499.13
- Acknowledge rollover of member contributions for Thomas Garrity (non-vested member) in the amount of \$21,848.54

Member Curran moved to acknowledge the refunds/rollover as stated. Member Parsons seconded the motion which carried unanimously.

Mrs. Rounsavall advised that annual confirmation of receipt of benefits forms were mailed to retirees earlier in the quarter. She also reminded board members of the need to timely file their financial disclosure statements and the board recognition event to be held the following evening.

The next quarterly meeting was scheduled for July 24, 2024.

OLD BUSINESS

A. Discussion and possible action to lower assumed annual investment rate of return for ensuing fiscal year

The retirement board typically gave direction to the actuary as to the assumed investment rate of return to be used for the next valuation at its quarterly meeting in July. Member Bentley had suggested that this discussion take place at this meeting and there was no objection to same.

The current assumed investment rate of return was 6.45 percent which was more conservative than most similarly situated retirement plans, the average of which was 6.7 percent. Investment Consultant Richardville advised that lowering the assumed rate of return would dampen the volatility of the plan, however, she would not change the investment approach.

Member Bentley moved to reduce the assumed investment rate of return by ten basis points from 6.45 percent to 6.35 percent for the valuation to be performed as of September 30, 2024. Chairman Morgan seconded the motion.

Speaking from a collective bargaining standpoint, Member Parsons advised that current negotiations contemplated a reduction in the 8.5 percent employee contribution rate. Lowering the fund's assumed rate of return could potentially affect this option. Attorney Braswell reminded trustees of their fiduciary role to act in the best interests of the overall retirement plan.

The motion to lower the assumed rate of return to 6.35 percent carried with Member Parsons voting no. Plan Administrator Rounsavall would advise the actuary of the board's decision.

NEW BUSINESS

A. Periodic review of professional service provider agreements

Board members were in receipt of a listing of professional service providers and corresponding agreement dates. Pursuant to the Board's *Administrative Rules and Procedures*, these agreements were routinely reviewed to determine appropriateness and timeliness. The Board's agreement with Salem Trust Company (Argent Institutional Trust Company, d/b/a Salem Trust Company, a division of Argent Institutional Trust Company) was the next relationship to be reviewed. Its original agreement was first executed in 2016 and provided for a \$6,000 flat annual fee.

Board members expressed satisfaction with its current service providers.

Plan Administrator Karan Rounsavall used this opportunity to provide notice of her intent to terminate her service as plan administrator to the West Melbourne Police Retirement Plan. Mrs. Rounsavall had served as plan administrator since 2010 and was grateful for the opportunity to serve the many active members and retirees of the retirement plan. Her professional service agreement provided for a 60-day notice, however, she was happy to serve until the retirement board arranged for a smooth transition to its next administrator.

Board members discussed options for proceeding, primarily request for proposals for plan administration services. Another option included an in-house/employee administrator taking on this role or pieces thereof (e.g. minutes, invoice payment). Mrs. Rounsavall mentioned that the current trend in plan administration was toward larger firms providing remote services to multiple plans as opposed to "boutique" type plan administration relationships providing more "hands-on services" to fewer overall clients. If the board wished to continue with a boutique type provider, Mrs. Rounsavall recommended Julie Enright, a long-time colleague who had a small number of plans in the immediate geographic area.

Discussion ensued as to options. *Member Bentley moved to direct the attorney to prepare a request for proposal (RFP) for plan administration services with a 30-day turnaround period. Member Curran seconded the motion which carried unanimously.*

A special meeting was tentatively scheduled for June 13, 2024 to receive and review responses to the RFP.

PUBLIC COMMENT

ADJOURNMENT

The meeting adjourned at 11:54 a.m.

Scott Morgan, Chairman

Karan Rounsavall, Plan Administrator