

*CITY OF WEST MELBOURNE POLICE OFFICERS' RETIREMENT PLAN*  
**MINUTES OF QUARTERLY MEETING HELD**  
**JULY 24, 2024**

1. Chair Scott Morgan called a Quarterly Meeting of the Board to order at 10:00 AM in the West Melbourne City Council Chambers at 2285 Minton Road. Those persons present included:

**TRUSTEES**

Scott Morgan, Chair  
Jennifer Curran, Secretary  
Pat Bentley, Trustee  
Graig Erenstoft, Trustee  
James Parsons, Trustee

**OTHERS**

Karan Rounsavell, Administrator  
Scott Baur & Sarah Vandergon (Resource Centers)  
Kerry Richardville, Investment Consultant (Mariner)  
Inez Garcia, Custodian (Argent – Salem Trust) Electronically  
Yvette Duenas & Ben Monkiewicz, Investment Manager  
(Garcia Hamilton & Assoc.)  
Pedro Herrera, Counsel (Sugarman, Susskind, & Herrera)  
Electronically  
Candice Blake, Finance Director

2. **DETERMINATION OF A QUORUM**

The Board had a physical quorum present for the meeting.

3. **APPROVAL OF MINUTES**

The Trustees reviewed the draft minutes for the Quarterly Meeting on April 24, 2024, and the Special Meeting on June 13, 2024.

Jennifer Curran made a motion to approve the minutes for the meetings on April 24, 2024 and t June 13, 2024. The motion received a second from Graig Erenstoft, approved by the Trustees 5-0.

4. **OFFICER AND TRUSTEE REPORTS**

The Board Chair, Secretary, and Trustees had no separate reports.

5. **PROCESSED DISBURSEMENTS**

The Board reviewed the report of receipts and disbursements for the June 30 quarter.

Jennifer Curran made a motion to approve the report of receipts and disbursements for the third fiscal quarter. The motion received a second from James Parsons, approved by the Trustees 5-0.

6. **CONSULTANT REPORTS**

Chair Morgan recognized the representatives from Garcia Hamilton, present at the meeting to review performance.

**Investment Manager: Garcia Hamilton & Associates (Yvette Duenas & Ben Monkiewicz)**

Ms. Duenas reported on some recent changes at the investment management firm. Mr. Mokiewicz now serves as a Partner and part of the investment management team. Garcia Hamilton manages \$2.1 billion in assets, primarily in high quality fixed income assets. The firm also added an additional partner and portfolio manager to oversee short duration securities. Garcia Hamilton has 16 partners overall following 2 recent retirements. Gilbert Garcia is the managing partner with a succession plan already in place. Hanna Hamilton retired on April 30, and Chief Compliance Officer Beth McWilliams will retire at the end of 2024.

Ben Monkiewicz reviewed recent fixed income performance. He acknowledged that the portfolio performed under the target benchmark. He stated that Garcia Hamilton manages the assets first for liquidity, then for duration and sector opportunities. The manager believes that the portfolio is strategically positioned going forward, taking on longer duration securities with the expectation that interest rates will fall. The manager currently overweights agency guaranteed mortgage securities and underweights corporate debt in the portfolio, believing that a significant

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slowdown in the economy is imminent. He reviewed recent interest rate policy by the Federal Reserve Board, noting that rate policy historically tends to be more reactionary. While housing and employment remain strong, the manager sees evidence of a more substantial slowdown for both. Consumers have spent their savings and are stressed, adding to debt to continue spending. A healthier supply chain will also help ease inflationary pressures.

Mr. Monkiewicz stated that corporate bond spreads should widen from historic lows. Prepayments on the mortgage-backed securities in the portfolio add to performance, since the mortgages trade under par value. Mr. Monkiewicz further compared the current portfolio composition to the fixed income benchmark.

Chair Scott Morgan noted that Garcia Hamilton has kept the current portfolio allocation now for some time, as the manager expected the economy to slow much faster. Pat Bentley reviewed the significant under performance for the fixed income portfolio over longer time periods. Ben Monkiewicz stated that he believes the fixed income portfolio will recover the lagging performance in the current market environment. He also foresees 3 interest rate cuts this year, particularly as the labor market weakens. He stated that the performance should turn around in the next 6 months, so he would allow 9 additional months for the Board to evaluate longer-term performance.

**Investment Consultant: Mariner (Kerry Richardville)**

Kerry Richardville reported on a divergence in market sector performance as a rotation appears to have begun. Accordingly, markets produced mixed results for the June 30 quarter. The Retirement Plan received a \$6,500 distribution from ASB Real Estate during the quarter, with the remaining distribution still in queue. Mariner will begin to evaluate replacements for ASB. Ms. Richardville also sees signs of slowing in the economy. The Plan had total assets of \$21,669,363 as of June 30, 2024, without updated portfolio values for ASB and Brookfield. Ms. Richardville further reviewed the current asset allocation, noting the assets overweighted domestic equities. She recommended rebalancing \$600,000 from the Vanguard Total Stock Market Index, allocating \$400,000 to fixed income and \$200,000 to international equities.

**Pat Bentley made a motion to reallocate \$600,000 from the Vanguard Total Stock Market Index, adding \$400,000 to Garcia Hamilton, \$100,000 to the EuroPacific Growth Fund, and \$100,000 to DFA International. The motion received a second from Jennifer Curran, approved by the Trustees 5-0.**

Kerry Richardville reported that the assets gained 14.03% gross and 13.84% net for the fiscal year to date, with a net return of 1.09% for the quarter ending June 30. The assets returned 7.5% on average for the trailing 5 years ending June 30. Ms. Richardville further reviewed performance by asset class and manager. She sees a likely interest rate cut in September.

Ms. Richardville reviewed equity income options offered by value-oriented managers. She compared holdings and portfolio characteristics for 3 options previously considered by the Board. Over long periods, the current equity income holding trailed the alternatives due to a more true value emphasis. She believes that the current equity income holding remains the strongest choice as the best portfolio diversifier going forward.

**Custodian: Argent (Inez Garcia)**

Inez Garcia thanked the Board and noted the long relationship with the plan. She acknowledged the pending change in plan administration.

**Attorney: Sugarman Susskind & Herrera (Pedro Herrera)**

Pedro Herrera also thanked Karan Rounsavell for her service. He had no other report.

**Administrator: Karan Rounsavell**

Karan Rounsavell thanked the Board. She especially values and appreciates the relationships that she developed with members of the Retirement Plan over time.

**James Parson made a motion to acknowledge the rollover of member contributions for James Johnson in the amount of \$12,813.79. The motion received a second from Graig Erenstoft, approved by the Trustees 5-0.**

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Mr. Baur introduced himself and Sarah Vandergon on behalf of the Resource Centers. He presented the agreement reviewed by counsel and reviewed the services that his firm would provide as successor to Karan Rounsavell. City Finance Director Candice Blake stated that her Department would continue to provide the single source of Plan financial statements for the City ACFR; however, the Resource Centers would likely file the Annual Report to the Division of Management Services. Mr. Herrera confirmed the agreement for signature.

**Jennifer Curran made a motion to approve the administrator agreement with the Resource Centers for execution. The motion received a second from Pat Bentley, approved by the Trustees 5-0.**

The Board reviewed the current signature authorizations in place, which require two authorized signatures. Mr. Baur provided updated signature authorization forms for the custodian and investment managers.

**Graig Erenstoft made a motion to update the signature authorization forms on file. The motion received a second from Jennifer Curran, approved by the Trustees 5-0.**

Mr. Baur further reviewed details in the transition of plan administration. He and Sarah Vandergon spent a recent day working with Karan Rounsavell reviewing plan files and processes, which included introductions to City staff. He provided a template letter of introduction to the Plan members. His office already established a web page for the Retirement Plan at [www.ResourceCenters.com](http://www.ResourceCenters.com). He thanked the Board, and he also thanked Karan Rounsavell.

**7. OLD BUSINESS**

The Board had no further Old Business for discussion.

**8. NEW BUSINESS**

Ms. Rounsavell presented the FY25 proposed budget for administrative expenses, comparing budgeted amounts to current fiscal year expense estimates. She included an expected increase for the actuary. The Board can modify the budget if needed during the year. The Board is cost conscious, and the administrative expense to operate the Retirement Plan remains very low. Gabriel Roeder currently files the Annual Report to DMS for a \$3,745 fee.

**Pat Bentley made a motion to approve the proposed FY25 budget and delegate the Annual Report filing to the Resource Centers for the proposed \$2,500 fee. The motion received a second from Jennifer Curran, approved by the Trustees 5-0.**

The Division of Management Services approved the Annual Report for 2023. The Board will hold the Ch 185 premium tax receipts in the Receipt & Disbursement Account rather than allow rebalancing of the receipts per the current standing letter of instruction at the custodian.

**Pat Bentley made a motion to hold the deposit of premium taxes in the Receipt & Disbursement Account at the custodian. The motion received a second from Jennifer Curran, approved by the Trustees 5-0.**

The Board considered the payment of invoices for investment management service provided by ASB, real estate manager for the Retirement Plan.

**James Parsons made a motion to pay the ASB invoices directly from the real estate portfolio. The motion received a second from Jennifer Curran, approved by the Trustees 5-0.**

The Board currently reinvests distributions from the ASB Real Estate portfolio.

**Pat Bentley made a motion to accept the ASB dividend payments in cash. The motion received a second from Jennifer Curran, approved by the Trustees 5-0.**

Karan Rounsavell then reviewed the details for the current City travel policy, used by the Board for reimbursement of travel related expenses. Two Trustees currently plan to register for the annual conference in November by the Division of Management Services. The Board discussed the details of the travel policy. The City uses current GSA rates, which

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adjusts per diem expenses based on the date and location of travel. The Resource Centers will continue to apply the City travel policy and use the City tax exempt certificate will making payments for lodging.

Ms. Rounsavell addressed the standing letter of instruction at Argent for payment of monthly retainer fee invoices to Board service providers. She provided an updated authorization removing herself and adding Resource Centers.

**Jennifer Curran made a motion to approve the updated letter of authorization for the custodian. The motion received a second from Graig Erenstoft, approved by the Trustees 5-0.**

The Board thanked Karan Rounsavell for her service to the Plan and members. The Trustees individually thanked Karan as well. She will be missed.

**9. PUBLIC COMMENTS**

No members of the public had any further comment.

**10. ADJOURNMENT**

There being no further business and the Board having previously scheduled the next regular meeting for Wednesday, October 30, 2024 @ 10:00 AM, Chair Scott Morgan adjourned the meeting at 11:56 AM.

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Jennifer Curran, Secretary