

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM MINUTES OF  
MEETING HELD MAY 22, 2025

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System May 22, 2025, 2:00 p.m., in the Commission Chambers at City Hall

**Present:**

Kyle MacCarthy	Police Officer Member, Chair
Wendy Rydzewski	City of Fort Pierce General Member, Vice-Chair
Johnna Morris	Secretary/Treasurer
Keith Stephens	U.A. General Member
Barbara Mika	U.A. Board Appointed Member

**Guests:**

Attorney Bonni Jensen	Attorney for the Retirement Board, Advisory
Paola Cardenas	Callan, LLC
Paul Lundmark	Richmond Capital
Cliff Kalish	William Blair
Kyle Concannon	William Blair (phoned in)

**Recording:**

Megan LeGrand	Executive Assistant to Director of Finance
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**Absent:**

Comm. Michael Broderick	City Commission Member
Comm. Arnold Gaines	City Commission Member

**ITEM NO. 1 & 2 - ROLL CALL**

**Mr. Kyle MacCarthy** called the meeting to order at 2:02pm on Thursday, May 22, 2025, the first item on the agenda being the “Roll Call”.

**ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC**

**Mr. MacCarthy** opened for comments from the public. Seeing as there was no public, **Mr. MacCarthy** closed the comments.

**ITEM NO. 4 ~ CONSIDERATION OF MINUTES**

A motion was made by **Ms. Wendy Rydzewski** and seconded by **Ms. Johnna Morris** to approve the minutes. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.

**ITEM NO. 5 ~ REPORT FROM THE BOARD ATTORNEY**

**Attorney Bonni Jensen** reminded the Board that their Form 1’s needs to be filed by July.

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**Mr. Keith Stephens** let the board know that they should receive an email to help them how to do everything as well.

**ITEM NO. 6 ~ PUBLIC HEARINGS ON BENEFIT APPLICATIONS**

**Mr. MacCarthy** opened the public hearing for the request for non-duty disability retirement from Charles J. Stang with 17 years and 11 months of service with the Fort Pierce Utilities Authority. Seeing no public, the hearing was closed and the request was opened for Board discussion.

**Ms. Morris** confirmed that the applicant met all the requirements set out in the Code of Ordinances to be eligible for Non-Duty Disability Benefits. **A motion was made by Mr. Stephens and seconded by Ms. Barbara Mika to approve the request. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.**

**Mr. MacCarthy** opened the public hearing for the request for retirement from Michelle Kubitschek with 28 years of service with the City of Fort Pierce. Seeing no public, the hearing was closed and the request was opened for Board discussion. **A motion was made by Ms. Rydzewski and seconded by Ms. Morris to approve the request. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.**

**Mr. MacCarthy** opened the public hearing for the request for retirement from Scott Dykema with 13 years and 2 months of service with the Fort Pierce Utilities Authority. Seeing no public, the hearing was closed and the request was opened for Board discussion. **A motion was made by Ms. Morris and seconded by Ms. Rydzewski to approve the request. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.**

**ITEM NO. 7 ~ OLD BUSINESS**

None

**ITEM NO. 8 ~ NEW BUSINESS**

**Mr. MacCarthy** welcomed Ms. Paola Cardenales from Callan, LLC to give their quarterly performance evaluation.

**Ms. Cardenales** began with the market update for the first quarter of the year. There was a lot of uncertainty in the markets with the tariff fluctuations and interest rate volatility. Market experts are cautioning their clients that this is a short-term issue, and some stability should be on the horizon. The S&P 500's return drops hit the portfolio hard, but it has shown a steady increase back to where it has been. On the International Equities side of things, Europe markets are showing as a positive for the portfolio as a lot of companies are buying European merchandise. Fixed Income has shown a steady growth for the quarter. The real

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estate market is looking healthier, and leasing assets has shown to be adding value. Heitman is continuing to show growth and positive returns. There is a correlation to the current markets and the markets in the beginning of the COVID epidemic. COVID has been a huge problem in the market, and all sectors are still recovering. This current volatility seems to be much more short-term and is already climbing back to previous highs.

The Retirement Plan is currently lagging the benchmark by 0.35%, mostly due to inflation levels. The difference between this Plan and others in its peer group is that other plans have access to alternative asset classes, which is strengthening their lead over the benchmark. Emerald is slightly lagging the benchmark, but it was offset by Ceredex. Brandes, while it does not have a full quarter within the portfolio yet, has seen strong returns so far and is looking to be a valuable manager going forward.

**Mr. MacCarthy** welcomed Mr. Paul Lundmark from Richmond Capital to present their quarterly results.

**Mr. Paul Lundmark** began his presentation with an overview of the company. They are 100% employee owned and have been a money manager for this Plan for 35 years. There have been a few retirements as of late, and their replacements have been of a younger demographic. He remarks that, having worked there for 22 years, he is feeling positive in the way the firm is shifting.

The portfolio is still in a duration neutral standpoint. With the unpredictability of the interest rates, the company feels they can add more value through overweight in certain sectors and being particular about the security selections. The current inflation and interest rates are favorable for creating higher yields for a fixed income portfolio. There has been a change of +3.5% to +4.2% over the short- and long-term return yields in the last 4 years. The portfolio has an overweight in corporates and in mortgage-backed securities, which did not do as well as the treasuries, causing a slight negative return value for the quarter. Mr. Lundmark credits the mitigation of a worse return yield is due to the stocks they carry in stable, high-quality brands.

**Mr. MacCarthy** welcomed Mr. Cliff Kalish and Mr. Kyle Concannon (over the phone) to give their quarterly report from William Blair.

**Mr. Cliff Kalish** gave an overview of the performance since the original investment. Since 2003, this portfolio has grown by about \$18 million. Some team changes have come from older employees retiring and younger new hires with expertise in sectors that are struggling with performance.

**Ms. Cardenales** asked if the new hires were replacements or additions to the team.

**Mr. Kalish** confirmed that there two replacements in one category, but all other hires were additions to the team.

**Ms. Cardenales** asked how the additions will help.

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**Mr. Kyle Concannon** clarified that the management team has done some reflecting on the stagnant changes to their company and their structure since their inception. The conclusion was that they needed to change the way they hired their analysts in certain sectors which had seen a shift in complexity. The way they are hiring now is find those who have specialized expertise and extensive experience in sectors where the team is struggling, such as financials, industrials, and IT.

Looking at international markets, US trade policy and volatility has shown to not deter the market. AI technology has hit a slight struggle in their performance, which is causing a return profit to be under expected return values in the technology sectors. While emerging markets in Taiwan and US are struggling, China is showing positive growth for the year. Europe is thriving, despite current administration trying to undermine their performance. There is speculation that the European market is on the upswing, which could outperform the US significantly. Tariff concerns have hit the market hard, but the concerns are showing to ease.

For the quarter and the year, this portfolio is underperforming. There was an overweight to technologies in the beginning of the year, but the strategy has shifted a bit to compensate and is looking to be more on track with the benchmark.

**Mr. Stephens** asked if the turnover in the sectors that are struggling caused any delay in the monitoring of market changes.

**Mr. Concannon** clarified that there was no lapse in coverage for any of those sectors. The tech overweight has been something the portfolio has had for a few years, and the downward swing has been more recent.

**Ms. Cardenales** asked how the company brings the new hires up to speed on the philosophy of the company and the strategy.

**Mr. Concannon** explained that the new hires have all had 20+ years of experience and they know what to do when they start. They already have a record of holding similar philosophy and a record of adding value in a value growth strategy when they start.

**Mr. Kalish** also confirmed that the interview process is an extensive one. There are multiple interview rounds to maintain a personal and professional quality to the team.

**Mr. Concannon** ended the presentation with a comment about how the changes the company has been implementing over the last year has already shown to improve the overall performance. The beginning of the second quarter has looked better, and he is optimistic about how the changes will help.

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**ITEM NO. 9 ~ CONSENT AGENDA**

A motion was made by Ms. Morris and seconded by Ms. Mika to approve the consent agenda. All those in favor of the motion signified by saying aye. There was no opposition, and the motion was carried unanimously.

**ITEM NO. 10 ~ CONSIDERATION OF ABSENCES**

Ms. Morris confirmed that both Commissioner Broderick and Commissioner Gaines had reached out for scheduling conflicts.

**ITEM NO. 11 ~ BOARD MEMBER COMMENTS**

Ms. Morris presented Ms. Mika with a plaque to thank her for her years of service to the Retirement Board and wished her well in retirement.

Ms. Mika thanked the Board and introduced her replacement, Ms. Michelle Harris.

Mr. Stephens inquired if a person could still sit on the Board if they were in DROP.

Ms. Morris confirmed that a person can.

Mr. Stephens inquired if there had been an update to Brad Armstrong of GRS' report on the effects of changing the employee contribution rates into the Pension Fund.

Ms. Morris confirmed that she had received the report and is in the process of reviewing it.

**ITEM NO. 12 ~ NEXT MEETING**

Next meeting will be held June 18, 2025, at 2pm in the Commission Chambers at City Hall.

**ITEM NO. 13 ~ ADJOURMENT**

Seeing that there were no further questions or comments. Mr. MacCarthy adjourned the meeting at 3:18 pm.

ATTEST:

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Secretary/Treasurer

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Chairperson

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.