

# City of Melbourne



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## MINUTES - MELBOURNE MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

City Hall Council Chamber  
900 E. Strawbridge Avenue  
Melbourne, FL 32901

**March 19, 2026 • 9:00 AM**

Board Members Present:

Tim Olsen, Vice-Chair  
Timothy Jorgensen, Secretary  
Jerry Balter, Board Member  
Mike Reisert, Board Member

Absent:

Anthony Mauro, Chair

Also Present:

Kerry Richardville, Mariner Institutional

### **A. OPENING**

#### 1. Call to Order

The meeting was called to order by Tim Olsen, Vice-Chair at 9:00 a.m.

#### 2. Public Comments

There were no public comments.

#### 3. Approval of Minutes Dated February 11, 2026

Mr. Olsen asked the Board members if they had reviewed the minutes dated February 11, 2026. All Board members had reviewed the minutes.

Jerry Balter/Tim Jorgensen moved to approve the minutes dated February 11, 2026. All were in favor. Motion carried.



**B. NEW BUSINESS**

4. Core Infrastructure Interviews

Brookfield Asset Management

Mr. Brendan Hammond and Ms. Grace Patterson presented the Brookfield Super-Core Infrastructure (BSIP) strategy to the Board. Mr. Hammond stated that he would be the point of contact in the Florida region, and thanked the Board for the opportunity. He introduced Ms. Patterson as Vice-President of the Infrastructure Group since 2023. She stated that BSIP was developed eight years ago as a unique, lower risk strategy, strong cash flows, and downside protection with a focus on Utilities, Telecom Towers, Toll Roads, and Transportation Hubs. The net asset value was \$15.5 billion, 8.4% net return, 5.4% asset yield, 99% regulated, and take-or-pay cash flows. She stated that since 2018, the core infrastructure portfolio delivered consistent performance through the COVID Pandemic, rising inflation and interest rates, and geopolitical tariff uncertainty.

Ms. Patterson explained that Brookfield had over 125 years of operating expertise as one of the world's largest alternative asset managers with over \$1 trillion assets under management. The infrastructure platform had 541 professionals operating in 30 countries, with an emphasis in the United States, Europe, Middle East, and Asia. She reviewed the investment committee and portfolio management team that had an average 18 years of leadership experience. Mr. Balter asked how she expected oil prices would affect the portfolio. Ms. Patterson responded that the assets had zero commodity risk since direct cost passthroughs and inflation mechanisms were imbedded within the take-or-pay contracts. Mr. Balter asked how company shut-downs would affect the portfolio during recessionary periods. Ms. Patterson replied that most companies were backed by government agencies with strict regulations and financially stable metrics. Mr. Reisert asked if obsolescence was a concern. Ms. Patterson replied that long term assets such as data centers had agreed upon returns during the contract periods. Mr. Reisert asked about technology risk. Ms. Patterson stated that they own buildings that house the data centers, but there was no direct risk on technology or equipment.

Ms. Patterson concluded by reviewing the portfolio sector and country weights. Electric Transmission, Distribution Utilities, and Data were the leading sectors, while the US, Australia, and Sweden led the country weights. The BSIP had a \$50 billion regulated asset base with over 13,000 revenue generating assets, and a gross time weighted annualized return of 10.0%.



Ms. Richardville asked about the commitment process. Ms. Patterson explained that the quarterly closes were semi-liquid, with 3-year lock-up periods and 9-12 month capital calls. Since inception, the investment asset yield was 5.4% with a net fund distribution of 4.3%. The management and incentive fees were 1.1%.

#### IFM Investors

Mr. Gary Harrison and Mr. Chris DuPont presented the IFM Global Infrastructure strategy to the Board. Mr. Harrison stated that the firm was established and owned by pension funds, located in Australia with over 30 years of experience, \$177 billion under management, and 17 global locations. He stated the IFM Global Infrastructure Fund established in 2004, had grown to \$68 billion, and 23 portfolio investments. Mr. DuPont reviewed the majority investor type of 33% Public Pension Fund, 26% Superannuation, 17% Corporate, 9% Taft Harley, and 6.0% Insurance Company. The investor geography was 34% United States, 15% Canada, 28% Australia, 10% United Kingdom, 10% EMEA, and 3.0% Asia. The net target return was 8-12% over the long term, with 33% weighted average leverage, 4.5% net cash yield, and net return of 9.1% since inception. Mr. Reisert asked why the 10-year return was slightly higher at 11.4%. Mr. DuPont replied that the strategy remained the same, but the sale of early acquisitions caused an inflated return. The Global Infrastructure team led by Kyle Mangini was comprised of over 140 investment professionals, with 20 years average industry experience.

Mr. DuPont continued with the key target sectors of Utilities, Energy, and Transportation primarily in OECD countries. Specific examples included Buckeye Partners in Texas that provided 100% fuel to New York, the Sydney Australia Airport, and Indiana toll roads. Mr. Reisert asked if the assets were exposed to commodity risk. Mr. DuPont replied that the toll roads were mainly used for freight traffic, not consumer driven. The tried and tested investment strategy over 30 years was buying well, managing actively, and selling opportunistically. He concluded that the term was open-ended, 6-9 month capital calls, and quarterly independent valuations. Management fees were 77 basis points and 10% performance fee over 8% per annum. Mr. Olsen asked if IFM Investors were sponsors of the FPPTA. Mr. DuPont replied that they were looking into the membership. Mr. Balter asked about Middle East concerns. Mr. DuPont said that investments were not impacted by geopolitical risk. He thanked the Board for the opportunity.

The Board members discussed the two global infrastructure options. Ms. Richardville stated that Brookfield was a more core defensive manager, with less GDP sensitivity, stable performance, and predictable returns. Mr. Jorgensen agreed that Brookfield was a very consistent core manager.



Ms. Richardville felt that the global strategy with IFM Investors was more correlated to Equity returns, and more volatile with transportation assets. She stated that both mutual fund structures were fully liquid and offered take-or-pay contracts. The Board members took a 15-minute break.

5. Core International Equity Interviews

Dimensional Fund Advisors

Mr. Quinn Burgess and Mr. Andres Torres presented the Dimensional Fund Advisors International Core Equity strategy to the Board. Mr. Burgess stated that the firm was founded in 1981, had \$944 billion under management, 1,600 employees in 15 global offices, and one investment philosophy of small cap with a value tilt. He noted that five of the Dimensional Fund leaders had been awarded a Nobel Peace Prize, and there were 331 investment professionals across six countries that tracked the market with a quantitative investment approach and rigorous research.

Mr. Andres explained that the portfolio structure included smaller cap companies with value relative price and higher profitability within developed markets. Mr. Balter asked about the highest percentage in any one asset. Mr. Andres replied that the maximum holding is 5.0% with the exclusion of REIT securities. He stated that stocks were evaluated daily and rebalanced based on long-term eligibility, short term considerations, and intra-day costs. They use both third party and internally developed benchmarks to control implicit costs of trading. The portfolio was benchmarked against the MSCI World Index with over-weights to Financials, Industrials, Materials, and Consumer Discretionary. Japan, Canada, and United Kingdom led the country allocation with similar market weights to the index. The calendar year return of the International Core Equity Portfolio was 36.15%, and the annualized return since inception in 2005 was 6.53%.

Ms. Richardville asked about their fee structure. Mr. Andres replied that the mutual fund structure allowed lower fees at 23 basis points. She asked him to comment about the current market environment. Mr. Andres stated that they were watching oil prices and monitoring developments in the Middle East, looking for strong valuations with good opportunities, and re-allocating the portfolio when necessary. He concluded that their commitment to academic research and concentrated focus on small cap value securities with high profitability, was a proven strategy over the long term.



### Earnest Partners

Ms. Regina Martyanova and Mr. Patmon Malcom presented the Earnest Partners International Fund strategy to the Board. Ms. Martyanova stated that the firm had global presence in Atlanta, Georgia and Beijing, China with over \$30 billion in assets under management, and over 250 institutional clients. The firm was 100% employee owned, which provided control of resources, full alignment of interests, and a more risk aware and personal work culture. She reviewed the team of established and stable practitioners, with an average 20 years of experience in various functional areas of the industry.

Mr. Patmon explained their investment process of screening 2,500 potential companies using return pattern recognition, with research from approximately 300 practitioner insights, to construct a risk-controlled portfolio of 60 stocks. The firm was currently invested in 16 developed countries and 8 emerging countries, with particular attention to where the stock was domiciled for the purpose of equity holder control over the treatment of securities. The portfolio of 55-60 stocks typically out-performed the index and held between 3-5 years, with an upside capture ratio of 113% and a downside capture ration of 95%. Mr. Patmon further explained the investment process. The universe of stocks was screened in clusters to determine what characteristics were in place when the stock outperformed. The fundamental research process assessed competitive framework, scrutinize financials, and evaluated management. Risk controls compared returns and profitability by reviewing statistics and management style, to find the desirable risk level.

Mr. Patmon reviewed performance since inception of the international fund in 1999. Net returns were 8.2% compared to the index of 6.2%, and the sector over-weights included Financials, Healthcare, Industrials, and Information Technology. Mr. Jorgensen asked about their fee structure. Mr. Patmon replied that the fund was comingled, included the custody of assets, no carried interest, daily liquidity, at a fee of 85 basis points. Mr. Balter asked if the new war changed their investment strategy. Mr. Patmon replied that they continued to change the portfolio one asset at a time, and confirmed that the portfolio had no exposure to the Middle East or Russia/Ukraine.

### 6. Lazard Asset Management

Mr. Frank Sposato and Mr. Mike Powers addressed the Board members and thanked them for their continued business since 2000. Mr. Sposato had been with Lazard Asset Management for 28 years and Mr. Powers placed the first trade with Lazard Asset Management over 28 years ago.



Mr. Sposato stated that the central focus of the firm was conducting two primary businesses of asset management and financial advisory. Lazard had over \$254 billion under asset management with 1,200 employees across 20 countries. He stated that the investment philosophy consisted of relative value stock selection, bottom-up research, and focused quality. Mr. Sposato explained that the technology bubble in 2000, the financial crises in 2008, and the pandemic in 2020 were challenging environments, but the under-performance in emerging markets over the last 5 years brought down returns. Mr. Powers agreed that the Magnificent Seven technology growth performance over the last 5 was an abnormal event, but he expected a similar market reversal to value. Mr. Reisert asked if any outside influences had affected their under-performance. Mr. Powers replied that the firm continued their strategy, but unfortunately low debt, high quality, faster growing companies underperformed. He believed that this low-quality market was unlikely to continue given the valuations and risk factors.

Ms. Richardville asked about names in the portfolio. Mr. Powers explained that they look for opportunities that supply products to technology companies, and perform fundamental research on companies that are replaced by AI. He stated that Taiwan Semi-Conductors produced advanced chips for major tech firms like Apple and Nvidia, and ASML provided crucial ultraviolet systems to semiconductor manufacturers like Samsung and Intel. Ms. Richardville asked about missed opportunity in Financials. Mr. Powers explained that banks held dividends and halted share buybacks during the pandemic, but finally resumed normal distributions in 2025. The Board members thanked Lazard for attending the meeting and addressing their concerns.

The Board members discussed the information provided by Lazard. Tim Olsen and Jerry Balter were inclined to replace Lazard with another international manager. Ms. Richardville believed that their investment style had drifted based on the top holdings in the portfolio. She also stated that their net return of 5.25% since inception in 2000 slightly outperformed the benchmark, but their management fees were 75 basis points. Mr. Reisert asked about the primary focus with Lazard. Ms. Richardville replied that they invest in both developed and emerging international markets. She stated that other overseas value managers performed very well last year. Discussion followed.

Tim Jorgensen/Jerry Balter moved to commit \$8.0 million to Brookfield Asset Management Super-Core Infrastructure (BSIP). All were in favor. Motion carried.

Jerry Balter/Tim Jorgensen moved to remove Lazard Asset Management from the Plan, and replace them with Ernest Partners International Fund. All were in favor. Motion carried.



Ms. Richardville suggested that the Board hire CAPIS as a transitional manager at a flat fee of a penny per share for best trade execution. The Plan had used CAPIS in the past when switching managers. She would work with Ms. Jensen to prepare the appropriate contract with the Board's approval.

Jerry Balter/Tim Jorgensen moved to contract with CAPIS to facilitate the transition of approximately \$13.0 million from Lazard Asset Management to Ernest Partners. All were in favor. Motion carried.

**C. TRUSTEES COMMENTS**

There were no additional comments.

**D. ATTORNEY COMMENTS**

There were no additional comments.

**E. ADJOURNMENT**

The meeting was adjourned by Timothy Olsen, Vice-Chair at 12:17 p.m.

A handwritten signature in blue ink that reads "Jennifer Chase".

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Jennifer Chase, Recording Secretary  
Melbourne Municipal Firefighters  
Retirement Trust Fund Board