

## **AGENDA**

**General Employee Retirement Committee Quarterly Meeting  
City of Port Orange – City Hall  
1000 City Center Circle, 1<sup>st</sup> Floor – City Council Chambers  
Monday, July 22, 2019 @ 2:00 p.m.**

**I. Call to Order:**

Chair Peter Ferreira

Council Member Scott Stiltner

Kynah Cockcroft

City Manager Michael H. (Jake) Johansson

Cynthia Rivera

Scott Neils

**II. Approval of Minutes:**

a. June 24, 2019 – Regular Meeting

**III. Participant/Public Participation**

**IV. Unfinished Business:**

**V. Financials:**

a. June 2019 – Dave Leonard

b. Highland Capital – Grant McMurray

**VI. New Business:**

a. Service Provider Evaluation for James Moore CPA and Consultants

b. New Agreement Letter for 2019 Audit – James Moore

**VII. Consent Agenda:**

**For Approval:**

**Warrant #147**

Benefits USA, Inc. (Admin Fees 7/2019; INV #POG117)	\$ 2,500.00
Rice Pugatch Robinson Storfer& Cohen PLLC (Ste 6)	\$ 330.00
Southeastern Advisory (Investment Consulting Services: INV #1902)	\$ 5,083.00
Integrity Fix Income Management (2 <sup>nd</sup> Qtr. 2019; INV #2405)	\$ 4,469.56
Highland Capital Management (3 <sup>rd</sup> Qtr'19 Mgmt. Fees; INV #21281)	\$ 7,438.37
First State Trust (2 <sup>nd</sup> Qtr. 2019 Custodial Services)	\$ 4,500.00

**VIII. Distributions:**

**IX. Reports:**

- a. Attorney
- b. Comments from Committee Members
- c. Administrator
- d. Correspondence

**X. Next Meeting Date:**

- a. August 22, 2019 – Regular Meeting

**XI. Adjournment:**

Any person who desires to appeal any decision made by the General Employee Retirement Committee will need a record of the proceedings, and for such purpose he or she may need to ensure at his or her own expense for the taking and preparation of a verbatim record of all testimony and evidence of the proceedings upon which the appeal is based.

**NOTE:** If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the City Clerk for the City of Port Orange, 1000 City Center Circle, Port Orange, Florida 32129, Telephone Number (386) 506-5563, within (2) two working days of your receipt of this notice or (5) five days prior to the meeting date; If you are hearing or voice impaired, contact the relay operator at 1-800-955-8771.

June 24, 2019 – Regular Meeting

## **Minutes**

**CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN  
REGULAR MEETING MINUTES  
June 24, 2019**

**ROLL CALL:**

The meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairman Peter Ferreira at 2:00 p.m. on June 24, 2019 in the 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

**TRUSTEES PRESENT:**

Chairman Peter Ferreira, Kynah Cockcroft, Cynthia Rivera, Jake Johansson, Scott Stiltner and Scott Neils

**ABSENT AND EXCUSED:**

Vice Chair Lynn Hadley

**OTHERS PRESENT:**

Pete Prior of Benefits USA, Inc.; Jeff Swanson of Southeastern Advisory; Brent Chudachek, Fund Attorney via telephone

**APPROVAL OF MINUTES**

**May20, 2019 – Regular Meeting**

Chairman Peter Ferreira asked the Members if there were any corrections, additions, or deletions with the minutes of May 20, 2019. Hearing and seeing none Member Johansson moved to approve the minutes as presented. Member Stiltner seconded the motion and the motion passed.

**PARTICIPANT/PUBLIC PARTICIPATION:**

There was no participation from the public at this time.

**UNFINISHED BUSINESS:**

The Chairman noted that there is no unfinished business at this time.

## **FINANCIALS**

### **May 2019 – Dave Leonard**

Chairman Peter Ferreira reviewed the financials with the Board. Chairman Peter Ferreira noted that he would like Mr. Dave Leonard to attend the next meeting. Mr. Prior said he believes he will be at the next meeting since it will be the employee conference.

Chairman Peter Ferreira reviewed the financials with the Board. It was noted that the market value of the Fund is \$33,935,834.85, a decrease of \$1,153,815.74. Receipts for the month totaled \$1,155,555.41 versus total disbursements of \$1,384,428.46. Payments to retirees and other participants totaled \$211,055.44. The balance as of May 31, 2019, was \$683,517.47 in the Cash account. Chairman Ferreira reported that the yield for the month is -3.09%.

### **Southeastern Advisors**

Mr. Swanson reviewed the investment performance report for the period ending March 31, 2019. In the opening three months of 2019, U.S. and international equity produced a dramatic about face as every major asset class rebounded from the fourth quarter of 2018. Volatility drifted lower as U.S. equities continued to rally to finish the first quarter. Concerns about slowing global growth were dwarfed by the Fed's updated forecast for no rate increase in 2019 making this the best quarter since the financial Crisis rebound. Economic data remained strong with solid GDP and unemployment staying below 4%. Real GDP growth slowed during the fourth quarter of 2018, at 2.2% annualized. Real growth for the year was the strongest since at 2.9%. Consumer spending was the main driver of growth for the quarter. Private investment was also a positive contributor due to both business and inventory investment. Housing investment, however, was down. A change in exports was a minor detractor and government spending was down slightly.

Mr. Swanson reported that the value of the Fund's portfolio as of March 31, 2019, was \$34,270,774. The Total Fund returned 9.30% for the first quarter which was 0.1% higher than the target Index of 9.2% and ranked in the 25 percentile of Total Public Fund Sponsors, 7.10% for the one year, and 9.90% for the past three years on an annualized basis. The asset allocation is 49.4% Domestic Equity, 19.9% Fixed Income, 10.6% International Equity, 16.7% Real Estate and 3.4% Cash. Total Domestic Equities' return was 14.60% which was 1.0% above the S&P 500 Index of 13.6%. Total Fixed Income returned 2.6% which was 0.3% below to the Barclays Aggregate Index of 2.9%. Total International Equities' return was 13.0% which was 2.0% above to the MSCI EAFE Index of 10.0%. Total Real Estate's return was 1.6% which was 0.2% lower to the NCREIF Property Index of 1.8%.

Mr. Swanson reported that the Manager Allocation is 18.8% managed by Highland Capital, 11.2% managed by Atlanta Cap, 4.8% managed by Euro-Pacific Growth, 5.9% managed by Vanguard Global, 16.9% managed by Principal Real Estate, 21.7% managed by Boston Company and 20.7% managed by Integrity.

## **NEW BUSINESS:**

### **Lisa A. Pallante – Early Retire Payment for Approval**

Chairman Peter Ferreira and the Board reviewed the documents reflecting the retirement payment for Ms. Pallante. Member Johansson moved to approve the retirement and the supplement for Ms. Pallante. Member Neils seconded the motion and the motion passed.

**CONSENT AGENDA:**

**For Approval:**

**Warrant #146**

Benefits USA, Inc. (Admin Fees 6/2019; INV #POG116)	\$ 2,500.00
Rice Pugatch Robinson Storfer& Cohen PLLC (Ste 5)	\$ 137.50

Hearing and seeing no changes, Member Stiltner moved to approve Warrant #146. Member Johansson seconded the motion and the motion passed.

**DISTRIBUTIONS:**

**Mandatory Plan**

Shawn Owen	Total Withdrawal	\$14,220.47
------------	------------------	-------------

The Members reviewed the paperwork for the above distribution noting that the paperwork is in order. Member Johansson moved to approve the distributions in the amount of \$14,220.47. Member Neils seconded the motion and the motion passed.

**REPORTS:**

**Comments from Board Attorney:**

Attorney Chudachek said that he did not have anything to report to the Board for today's meeting. Attorney Chudachek advised the Board that he will attend the July meeting and the Employee Pension Fund Conference.

**MEMBERS:**

Chairman Peter Ferreira commented that he would like to continue reviewing each of the vendors and asked which service provider will be the next one for the Pension Board's evaluation? Administrator Pete Prior answered that he would like to review the list at the office and check the contracts and would email the Chairman with the name of the vendor.

**Administrator:**

Administrator Pete Prior reported that we completed the 2019 Pension Verification. Retiree Dennis Dearborn finally turned in his Pension Verification Form after we stopped his monthly pension. Mr. Prior noted that he came to the City HR's office to have his form notarized. The home address and phone number listed on 2019 Form is current and it is the same as what we have on file for him.

**NEXT MEETING DATE:**

July 22, 2019@ 12:30 p.m. – 2019 Employee Pension Fund Conference  
July 22, 2019@ 2:00 p.m. – Quarterly Meeting

**ADJOURNMENT:**

The meeting adjourned at 2:33 p.m.

---

Chairperson

---

Date

# **Financials**

**June 2019 - Dave Leonard**

*City of Port Orange*  
*General Employees Defined Benefit Retirement Plan*

2018/2019 Cost and Market Summary - as of JUNE 30, 2019

Date	Cost Value Including Cash*	Market Value Including Cash*	Market value over Cost value
10/01/2018	\$27,102,075.46	\$35,365,313.95	\$8,263,238.49
10/31/2018	27,160,961.09	33,409,674.79	6,248,713.70
11/30/2018	27,259,061.39	33,784,779.45	6,525,718.06
12/31/2018	27,346,277.26	31,948,927.85	4,602,650.59
01/31/2019	27,352,768.71	33,492,686.10	6,139,917.39
02/28/2019	27,316,715.17	34,252,619.14	6,935,903.97
03/31/2019	27,224,409.22	34,492,972.19	7,268,562.97
04/30/2019	27,258,076.39	35,089,650.59	7,831,574.20
05/31/2019	27,274,363.12	33,935,834.85	6,661,471.73
06/30/2019	27,318,770.46	35,235,648.19	7,916,877.73
07/31/2019			
08/31/2019			
09/30/2019			

Change in Market Value & Yield of Plan Assets (as of June 30, 2019):

		<u>Change in Value</u>	<u>Yield to date</u>
Annual	Increase from 10/01/2018	(\$129,665.76)	2.64%
Monthly	Increase from 6/01/2019	\$1,299,813.34	4.24%

\* Includes all accrued interest and dividends.

07/16/2019

Page 1

City of Port Orange  
General Employees Defined Benefit Retirement Plan

Cash Accounts - Per First State Trust

**Balance as of June 1, 2019** **\$683,517.47**

**Receipts:**

City Contribution	\$65,239.49	
Mandatory EE Contributions	22,971.60	
Voluntary EE Contributions	2,185.18	
Sale-Securities (Cost Value)	895,283.87	
Gain (Loss) Sale of Securities	140,914.84	
Dividends	36,058.63	
Interest & Mutual Fund Reinv.	31,817.16	
Other - Transfer to Principal & Class actions	0.00	
Total Receipts		\$1,194,470.77

**Disbursements:**

Securities Purchased - Equity (incl. Unit Trusts)	(\$570,295.70)	
Securities Purchased - US Govt. Oblig.	(104,519.53)	
Securities Purchased - Mortgage Backed Sec.	0.00	
Securities Purchased - Principal Real Estate Acct.	0.00	
Securities Purchased - Municipal/ Mutual Funds	\$0.00	
Securities Purchased - Corp. & Foreign Bond	(362,812.90)	
Advance Payment of Retirement Benefits (for July)	(\$210,496.32)	
<i>- Page 3 lists monthly payment applicable to current month</i>		
Payments to other Participants	(\$14,220.47)	
Owen, Shawn (mandatory DB)	14,220.47	

Expenses	(\$2,637.50)	
Admin/Actuarial Fees	\$2,500.00	
Investment/Monitor Fees	0.00	
Custodian Fees/ Commissions	0.00	
Legal Fees	137.50	
Misc - Insurance Premium	0.00	
Total Disbursements		(1,264,982.42)

**Balance as of June 30, 2019** **\$613,005.82**

City of Port Orange  
General Employees Defined Benefit Retirement Plan

Monthly Benefit Payments to Retired, Deceased and Disabled Participants - June, 2019

Barnes, Billy	\$3,368.98	Klimek, Frank	\$1,802.47	Stefanick, Michael	\$56.07
Barnhart, Betty	3,758.64	Koch, Michael	3,530.36	Steinebach, Donna	4,907.78
Beckman, Bruce	4,380.36	Kosuta, Christopher	1,851.28	Stuhr, Donald	1,249.53
Bizub, Joseph	575.71	Kucera, Christopher	3,239.20	Sutton, Robert	596.47
Blackey, William	492.27	Kushmaul, Roger	456.29	Taylor, Gerald	1,187.68
Bliven, Thomas	1,184.26	Lavender, Robert	2,629.79	Termini, Jimmy (MPP)	1,246.00
Bowey, Janet	169.24	Leftwich, Glenda	1,033.35	Thomas, Mitchell	2,621.57
Breaks, Robert	708.87	Levine, Steven	2,579.16	Towey, Richard	3,563.43
Cady, Anna	2,808.30	Lockaby, Paul	2,489.25	Treon, Shirley	2,416.28
Ceribelli, Betty	1,130.74	MacDuffie, Ray	625.21	Troutman, Thomas	3,665.25
Chamberlain, Kathleen	803.75	May, Roger (ben Randall M. )	775.98	Turner, Larry	1,463.71
Conforti, James	611.91	McCurry, Dennis	2,517.57	Van Arsdale, Wayne	491.09
Cooper, Michael	1,453.46	McNulty, John	980.89	Walker, Glenn	3,477.10
Culpepper, Debbie	2,281.32	Milholen, Ellen	3,050.53	Walker, Russell	518.96
Daly, James	518.86	Miller, Carmen	1,313.64	Walsh, Thomas (MPP)	463.00
Day, Robert	2,633.89	Miller, Lee	505.28	Wilson, Judith K.	2,506.31
Dearborn, Dennis	1,409.73	Monning, Linda (benef.)	1,445.22	Wilson, Rick	3,961.44
DeSousa, Joaquin	2,602.18	Norris, Annie (benef.)	2,155.45	Wilson, Stephen (bene)	157.09
Dyer, Jeffrey	719.05	Oddie, William	2,726.69	Wolf, Kenneth	2,480.26
Ellis, Alberta	893.52	Pallante, Lisa	0.00	Wolf, Steven	2,679.15
Ferguson, Bruce*	3,248.45	Palmer, Roberta	3,673.00	Yong, Lori	991.88
Findley, Cindy	423.80	Parker, Kenneth	5,508.77	Zuber, Nancy	3,125.07
Foster, James	4,032.48	Parker, Mary	2,449.66	Zuber, Thomas	643.14
Franklin, James	3,805.31	Parsons, Janice	3,909.02	Zurawski, Marceda	1,455.77
Fuhrman, Frank	3,320.02	Peace, Michael	3,140.90		
Geno, William	1,064.77	Pike, Warren & DeAnn	3,721.69		
Glor, Chapman	3,094.42	Potts, Wilford J.	1,040.28		
Grabowski, Debbie	2,313.41	Redfield, Rosemary	593.38		
Griffith, Fred	4,543.01	Riley, Paul	3,116.61		
Grimm, Sandra	1,428.58	Roberts, Veronica	1,015.38		
Groom, Rebecca	2,457.09	Rorem, Steve	1,648.52		
Groom, William	2,253.96	Schulz, William (benef.)	739.04		
Gurnee, Stella	1,321.01	Sheffield, Henrica	2,288.10		
Hacker, Lea Ann	395.50	Shelley, John	4,595.68		
Hammons, Elizabeth	1,596.60	Sheridan, Linda	2,173.28		
Hill, Daniel	2,219.23	Sheward, Thomas	2,202.38		
Hopkins-Peace, Krystal	1,586.62	Shroyer, Terry	1,203.68		
Huntt, Steven	2,793.36	Simmons, Thomas	2,507.28		
Kelly, Shirley	3,469.66	Skeens, Sandra (benef.)	1,763.20		
Kincaid, Kathryn	1,377.13	Solana, Robert	2,884.50		

Total Payments  
for Monthly Benefits:           \$211,055.44       \* 1 New retiree this month.

Total Refunds, retro pays:       \$14,220.47  
- includes redeposit as negative

Total Benefit Payments       \$225,275.91  
for June:

Total in Pay Status:           103  
(includes 2 MPP participant)

Cash Account Reconciliation - continuedSecurities Sold - June 2019

	<u>Gain and Loss Summary</u>	<u>Cost Value</u>	<u>Proceeds</u>	<u>Gain(Loss)</u>
HCC	C M S Energy 937 sh	25,787.18	52,669.64	26,882.46
	C S X Corp 375 sh	11,874.23	29,261.88	17,387.65
	Campbell Soup 818 sh	40,902.70	32,434.00	(8,468.70)
	Dupont De 250 sh	17,779.83	17,616.28	(163.55)
	Norfolk Southern 150 sh	10,995.22	28,765.35	17,770.13
BOST	Cintas 200 sh	34,183.77	46,553.63	12,369.86
	Costco 151 sh	39,941.67	66,296.40	26,354.73
	O'Reilly Auto 97 sh	26,388.92	36,329.77	9,940.85
	Raytheon Co 553 sh	69,279.29	100,238.66	30,959.37
	Ishares Russell 278 sh	39,303.41	43,761.85	4,458.44
Integrity	FHLMC Gold 6.5%, 11/36	3,169.26	2,792.30	(376.96)
	FHLMC Pool 7%, 10/38	5,089.48	4,214.89	(874.59)
	FHLMC PC 5%, 2/40	3,725.33	3,502.07	(223.26)
	FG 3.5%, 8/26	750.99	713.11	(37.88)
	FNMA 4.0%, 11/44	4,446.52	4,116.55	(329.97)
	FNMA 5%, 12/39	3,536.41	3,297.35	(239.06)
	FNMA 4.5%, 8/30	549.19	504.42	(44.77)
	FNMA 3.5%, 8/25	2,590.18	2,448.26	(141.92)
	G2 3.0%, 11/26	625.18	599.78	(25.40)
	GNMA 5.0%, 7/39	4,212.09	3,761.32	(450.77)
	GNMA 4.5%, 10/24	876.79	809.03	(67.76)
	GNMA 6%, 06/41	1,718.90	1,549.87	(169.03)
	Small bus 2.8%, 12/37	17,018.52	17,652.59	634.07
	US Treasury 5.5%, 8/28	61,816.83	64,003.91	2,187.08
	Aqua 3.566% 5/29 70,000 sh	70,817.60	72,342.00	1,524.40
	Dxc tech 2.875% 3/20 50,000 sh	49,594.00	50,219.00	625.00
	Deere & Co 8.5% 1/22 45,000 sh	54,909.45	51,995.70	(2,913.75)
	Dollar G 3.875% 4/27 20,000 sh	20,588.18	20,530.80	(57.38)
	Dow Chem 7.375% 11/29 55,000 sh	72,462.42	70,959.90	(1,502.52)
	Goldman 5.25% 7/21 50,000 sh	52,439.50	52,821.50	382.00
	Norfolk Southern 2.9% 6/26 75,000 sh	72,044.25	76,129.50	4,085.25
	Priceline 3.65% 3/25 5,000 sh	5,102.88	5,241.00	138.12
	Stanley Black 3.4% 3/26 70,000 sh	70,763.70	72,066.40	1,302.70
Mut FD.				0.00
	Total Sales for Month	\$895,283.87	\$1,036,198.71	\$140,914.84
		MM sold for cash:	\$866,210.77	
	Total Assets Disposed of:		\$1,902,409.48	
	(per FS-Trust)			

07/16/2019

Page 4

Cash Account Reconciliation - continued

Securities Purchased

Purchase information from First State Trust available upon request.

Cash Account Recap

	beg. of month <u>Jun. 1, 2019</u>	end of month <u>Jun. 30, 2019</u>
Cash - Receipt/Disbursement Acct.	\$138,803.24	\$502,259.07
Cash - HCC Equity Acct.	223,729.75	13,800.38
- Cash due from/(to) Broker (HCC)	0.00	0.00
Cash - Boston Company Acct.	277,999.31	146,390.28
- Cash due from/(to) Broker (Bos.)	40,146.04	(97,748.47)
Cash - Mutual Fund Acct.	13.15	13.18
Cash - Integrity Fixed Acct.	9,141.24	89,931.88
- Cash due from/(to) Broker (Integ).	<u>(6,315.26)</u>	<u>(41,640.50)</u>
Total Cash	\$683,517.47	\$613,005.82

City of Port Orange  
General Employees Defined Benefit Retirement Plan

Asset Recap as of June 30, 2019

	<u>Cost Value</u>	<u>Market Value</u>
CASH All accounts combined	\$613,005.82	\$613,005.82
BONDS US Treasury Obligations	\$1,264,192.58	\$1,277,813.08
US Government Obligations	1,673,954.96	1,683,663.20
Corp. & Foreign Bonds	3,923,111.61	4,011,791.15
Municipal Obligations	<u>0.00</u>	<u>0.00</u>
Total Fixed Income (Integrity)	\$6,861,259.15	\$6,973,267.43
EQUITIES (Includes Exchange Traded Funds)	\$10,130,879.78	\$12,884,611.91
INT'L EQUITY MUTUAL FUNDS	\$2,496,417.65	\$3,588,798.36
REAL ESTATE TRUST ACCOUNT (Prin.)	\$4,950,000.00	\$6,796,069.03
FLORIDA MUNI. INVEST. TRUST	\$2,000,000.00	\$4,112,687.58
PREPAID RETIREMENT BENEFITS	<u>\$210,496.32</u>	<u>\$210,496.32</u>
TOTALS BEFORE ACCRUALS	\$27,262,058.72	\$35,178,936.45
Accrued Dividends	7,653.01	7,653.01
Accrued Interest	49,058.73	49,058.73
Other Rec./Payable - Refunds	0.00	0.00
TOTAL Acct. VALUE as of Jun. 30, 2019	<b>\$27,318,770.46</b>	<b>\$35,235,648.19</b>
<i>Receipt/Disb Acct.</i>	\$502,259.07	\$502,259.07
<i>HCC Account</i>	5,129,429.90	5,956,758.18
<i>Boston Company</i>	5,072,410.65	6,998,814.50
<i>Mutual Fund Account - Int.</i>	2,496,430.86	3,588,811.57
<i>Principal Real Estate Acct.</i>	4,950,000.00	6,796,069.03
<i>Prepaid benefits - First St.</i>	210,496.32	210,496.32
<i>Florida Municipal Invst. Trust</i>	2,000,000.00	4,112,687.58
<i>Other Rec./Payable - Refunds</i>	0.00	0.00
<i>Integrity Financial Acct.</i>	<u>6,957,743.66</u>	<u>7,069,751.94</u>
Total Account Check	\$27,318,770.46	\$35,235,648.19

*City of Port Orange*  
*General Employees Defined Benefit Retirement Plan*

Cost and Market Value Reconciliation as of June 30, 2019

	<u>Cost Value</u>	<u>Market Value</u>
Values as of June 1, 2019	\$27,274,363.12	\$33,935,834.85
Contributions	90,396.27	90,396.27
Income Receipts	208,790.63	208,790.63
Change in Accruals	(26,866.15)	(26,866.15)
Benefit Payments	(225,275.91)	(225,275.91)
Admin. and Invest. Expenses	(2,637.50)	(2,637.50)
Unrealized Gain / (Loss)	0.00	1,255,406.00
Adjust to Balance	0.00	0.00
Values as of Jun. 30, 2019	<b>\$27,318,770.46</b>	<b>\$35,235,648.19</b>
Yield for the month (net of admin and invest. expenses)	0.66%	4.24%

*City of Port Orange*  
*General Employees Defined Benefit Retirement Plan*

Monthly, Quarterly and Year-to-date Review of Investment Performance - 6/30/2019

	<u>Fiscal Year</u>	<u>3rd Quarter</u>	<u>Current Month</u>
Start	10/01/2018	04/01/2019	
End	09/30/2019	06/30/2019	June-19
Market Value - Start	\$35,365,313.95	34,492,972.19	\$33,935,834.85
Contributions			
- City	677,673.12	232,854.35	65,239.49
- Mandatory 7.5%	238,617.01	81,990.84	22,971.60
- Voluntary EE	21,827.12	7,640.81	2,185.18
Other Income	37,686.25	108.04	0.00
Interest	412,608.25	75,485.63	31,817.16
Dividends	207,297.85	61,119.85	36,058.63
Realized Gains/(Losses)	783,914.38	441,254.04	140,914.84
Increase/(Decrease) in Unrealized Appreciation	(346,360.76)	648,314.76	1,255,406.00
Prior Accrued Interest	(72,536.73)	(83,526.12)	(83,577.89)
Current Accrued Interest	56,711.74	56,711.74	56,711.74
Payments to Participants	(1,986,979.58)	(734,352.90)	(225,275.91)
Administrative Expenses	(67,571.09)	(13,815.00)	(2,637.50)
Investment Expenses	(92,553.32)	(31,110.04)	0.00
Market Value - End	\$35,235,648.19	\$35,235,648.19	\$35,235,648.19
Yield per $2i/(a+b-i)$	2.6383%	3.3673%	4.2361%
<i>i</i>	919,196.57	1,154,542.90	1,434,692.98
<i>2i</i>	1,838,393.14	2,309,085.80	2,869,385.96
<i>a+b-i</i>	69,681,765.57	68,574,077.48	67,736,790.06
Contributions for period:	938,117.25	322,486.00	90,396.27
Bens/Exp. for period:	(2,147,103.99)	(779,277.94)	(227,913.41)
Net Cash Flow before income: (Vol. cons/ benefits included)	(1,208,986.74)	(456,791.94)	(137,517.14)

# **New Business**

**Service Provider Evaluation for  
James Moore CPA and Consultants**

Vendor: **James Moore**

Service Provided: **2016-2018**

Date of Evaluation: **7-22-2019**

Use this form to evaluate the overall performance of the Vendor. Apply a strength factor: 5 being the strongest. Total each column to reach an overall performance rating

VENDOR EVALUATION	1	2	3	4	5
Timeliness of responding to requests					
Quality of work product					
Level of Assistance provided to Board Members					
Level of Assistance provided to Employees					
Level of Assistance provided to Retirees					
Overall Expertise of Provider's Staff					
Fees: Market Comparison/Value					
Meeting Contract Goals					
COMMENTS:					
Column Totals					
<b>TOTAL RATING SCORE</b>					

# **New Business**

**New Agreement Letter for 2019 Audit  
– James Moore**

June 24, 2019

To the Retirement Committee,  
City of Port Orange General Employees Defined Benefit Retirement Plan:

You have requested that we audit the financial statements of the City of Port Orange General Employees Defined Benefit Retirement Plan (the Plan) as of September 30, 2019, 2020, 2021, 2022, and/or 2023, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis (if presented)
2. Schedule of Changes in Net Pension Liability and Related Ratios
3. Schedule of Contributions
4. Schedule of Investment Returns

#### **Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards of the Comptroller General of the United States of America.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Plan's basic financial statements. Our report will be addressed to the Retirement Committee of the Plan. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Management's Responsibilities**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. For safeguarding assets;
4. For the design, implementation, and maintenance of internal control over compliance;
5. For identifying and ensuring that the entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
6. For following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

7. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
8. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
9. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
10. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
11. For identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts and investment and actuarial reports.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents or support for any other transactions we select for testing.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. His responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified Our fees for these services, including expenses, will not exceed the following amounts based on the selected term of this engagement:

<u>Term</u>	<u>Years</u>	<u>Annual Fee</u>
1 Year	2019	\$12,000
3 Years	2019, 2020, 2021	\$11,000
5 Years	2019, 2020, 2021, 2022, 2023	\$10,000

This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. This engagement may be renewed for an additional term at the option of both parties. Any renewal will be evidenced by an engagement letter.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

We will perform the following nonattest services: Preparation of financial statements. With respect to any nonattest services we perform, the Plan's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (Board Chair, with the assistance of the City of Port Orange Finance Department) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

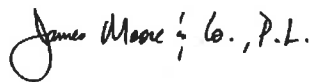
The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to

a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement letter includes the attached James Moore & Co., P.L. Standard Terms and Conditions as Attachment A which is incorporated and made a part of this engagement letter by reference.

We appreciate the opportunity to be of service to the Plan and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



JAMES MOORE & CO., P.L.

RESPONSE:

The City of Port Orange General Employees Defined Benefit Pension Plan is electing the following option (initial selected term):

<u>Initial</u>	<u>Term</u>	<u>Year(s)</u>	<u>Annual Fee</u>
_____	1 Year	2019	\$12,000
_____	3 Years	2019, 2020, 2021	\$11,000
_____	5 Years	2019, 2020, 2021, 2022, 2023	\$10,000

This letter correctly sets forth the understanding of the City of Port Orange General Employees Defined Benefit Retirement Plan.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**Attachment A**  
**James Moore and Co., P.L.**  
**Standard Terms and Conditions**

The terms and conditions set forth below are incorporated into the engagement letter agreement pursuant to which James Moore & Co., P.L. ("JMCO", the "Firm") will provide services to the City of Port Orange General Employees Defined Benefit Retirement Plan ("Client").

1. **Management's Responsibilities**—Management of Client is responsible for establishing and maintaining an effective internal control system. JMCO services may include advice and recommendations which management may or may not adopt. Client's management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by JMCO, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports, or other work product or deliveries to Client. Management is responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the engagement to us. Client should retain all the documents, canceled checks, and other data that form the basis of income and deductions. If the engagement also includes tax services, these records may be necessary to prove the accuracy and completeness of tax returns to a taxing authority. Client has final responsibility for the tax return(s) and; therefore should review the return(s) carefully before signing and filing.
2. **Responsible Person**—Client designates the individual signing the engagement letter ("Representative") as the individual to whom JMCO should look to provide information, communicate, answer questions and make elections. Client understands that JMCO will rely on the Representative designated above and that decisions by the Representative may be beneficial to some and detrimental to others. JMCO is directed to rely on the Representative for all Client decisions including but not limited to tax treatments, allocation of income and expense items, tax elections and accounting treatments. All communication with the Representative is deemed to be communication with Client.
3. **Advice in Writing**—JMCO only provides advice for Client to rely upon in writing. Casual discussions of tax, accounting or other issues and informal communication are not advice upon which Client can rely. Client agrees that the only advice from JMCO upon which Client may rely is written advice received from JMCO on our letterhead or via e-mail.
4. **Unencrypted E-Mail Use Authorized for Communication**—In connection with this engagement, JMCO may communicate with Client or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, JMCO cannot guarantee or warrant that e-mails from JMCO will be properly delivered and read only by the addressee. Therefore, JMCO specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted by JMCO in connection with the performance of this engagement. In that regard, Client agrees that JMCO shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. During the term of this engagement Client may elect by notification in writing to JMCO to suspend or terminate the use of e-mail.

5. **Cooperation**—Client agrees to cooperate with JMCO in the performance of JMCO services for the Client, including providing JMCO with reasonable facilities and timely access to Client's data, information and personnel. Client shall be responsible for the performance of Client's employees and agents and for the accuracy and completeness of all data and information provided to JMCO for purposes of this engagement. In the event that JMCO is unable to obtain required information on a timely basis JMCO may revise its estimate of fees, alter the services required and/or terminate the engagement.
6. **Independent Contractor**—Client and JMCO are both independent contractors and neither Client nor JMCO are, or shall be considered to be, an agent, distributor or representative of the other. Neither Client nor JMCO shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf, or in the name of, the other.
7. **Payment of Invoices**—JMCO will bill Client for professional services, expenses, and out-of-pocket costs on a monthly basis. Payment is due within 30 days of the date on the billing statement. JMCO reserves the right to suspend work or terminate the engagement in the event that payment is not received within 30 days of the date on the billing statement. JMCO may also suspend work or terminate the engagement if information furnished is not satisfactory for JMCO to perform work on a timely basis. JMCO will notify Client if work is suspended or terminated. If JMCO elects to terminate the engagement for nonpayment or for any other reason provided for in this letter, the engagement will be deemed to have been completed for purposes of payment being due from Client. Upon written notification of termination, even if JMCO has not released work product, Client will be obligated to compensate JMCO for all time expended and to reimburse JMCO for all out-of-pocket costs through the date of termination. Suspension of work or termination of the engagement may result in missed deadlines, penalties/interest along with other consequences and Client agrees that suspended work or termination of the engagement shall not entitle Client to recover damages from JMCO. All fees, charges and other amounts payable to JMCO hereunder do not include any sales, use, value added or other applicable taxes, tariffs or duties, payment of which shall be the sole responsibility of Client, excluding any applicable taxes based on JMCO's net income or taxes arising from the employment or independent contractor relationship between JMCO and JMCO's personnel. A late payment charge of 1½% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits, and allowances after 90 days from the date of billing. This is an Annual Percentage Rate of 18%.
8. **Confidential & Proprietary Information**—Client and JMCO both acknowledge and agree that all information communicated by one party (the "Disclosing Party") to the other (the "Receiving Party") in connection with this engagement shall be received in confidence, shall be used only for purposes of this engagement, and no such confidential information shall be disclosed by the Receiving Party or its agents or personnel without the prior written consent of the other party. Except to the extent otherwise required by applicable law or professional standards, the obligations under this section do not apply to information that: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, (b) was known to the Receiving Party or had been previously possessed by the Receiving Party without restriction against disclosure at the time of receipt thereof by the Receiving Party, (c) was independently developed by the Receiving Party without violation of this agreement or (d) Client and JMCO agree from time to time to disclose. Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other's information, except to the extent that applicable law, regulations or professional standards impose a higher requirement. JMCO may retain, subject to the terms of this Paragraph, one copy of Client's confidential information required for compliance with applicable professional standards or internal policies. If either Client or JMCO receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the other party's confidential information, such party shall (if permitted to do so) provide written notice to the other of such demand in order to permit it to seek a protective order. So long as the notifying party gives

notice as provided herein, the notifying party shall be entitled to comply with such demands to the extent permitted by law, subject to any protective order or the like that may have been entered in the matter. In the event that Client wishes to assert a privilege or Client fails to respond and JMCO asserts the privilege on Client's behalf, Client agrees to pay for all expenses incurred by JMCO in defending the privilege, including, by way of illustration only, JMCO's attorney's fees, court costs, outside adviser's costs, penalties and fines imposed as a result of Client asserting the privilege or Client's direction to JMCO to assert the privilege. JMCO's techniques, judgments, methodology and practices relating to its engagement practices are agreed by Client and JMCO to constitute proprietary confidential business information in the nature of trade secrets, security measures, systems and procedures which are in the nature of competitive interests which would impair the competitive business of JMCO should the information be released.

9. **Disclosures**—Certain communications involving advice are privileged and not subject to disclosure. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, Client, Client's employees or Client's agents may be waiving this privilege. To protect this right to privileged communication, please consult with JMCO or an attorney prior to disclosing any information about JMCO advice. Should Client determine that it is appropriate for JMCO to disclose any potentially privileged communication; Client agrees to provide JMCO with written, advance authority to make that disclosure.
10. **Force Majeure**—Neither Client nor JMCO shall be liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.
11. **Indemnification**—Client, its officers and directors hereby agrees to indemnify; agrees to pay for the defense (with counsel of JMCO's choosing) of JMCO, (including JMCO's principals, employees and authorized agents) and agrees to hold JMCO harmless from any and all suits, claims, actions, proceedings, liabilities, judgments, losses and costs whatsoever (including but not limited to attorneys' fees and litigation costs) arising in connection with any services performed or products provided by JMCO pursuant to, or under the cover of this engagement letter (Indemnity) as described in this paragraph. This Indemnity relates only to circumstances in which there is a knowing misrepresentation by Client and/or its management relating to this engagement. The foregoing indemnity is intended to apply to the extent not contrary to applicable law. This provision shall survive the termination of this engagement for a period of five years.
12. **Document Retention and Ownership**—The parties agree that JMCO will endeavor to retain documents and records in accordance with the Firm's Record Retention and Destruction Policy. Client agrees that after the specified period of retention expires (typically seven (7) years), documents and records may not be available. However, the related engagement records will not be destroyed regardless of the retention period, if JMCO has knowledge of potential or pending legal action and/or investigation by a regulatory agency, and it has been determined by the Firm that the records in question are relevant to said legal action and/or investigation. If it is determined that the records in question are relevant to the legal action and/or investigation, the Firm will impose a litigation hold on the records thereby suspending the scheduled destruction of the records. As potential or pending legal action or an investigation may not be public knowledge, we request that you inform us of any such legal action or investigation in a timely manner. Likewise, we request that you inform us when all legal action or investigation has been concluded so that the Firm can release the litigation hold and the records related to our engagement can be destroyed in accordance with our Record Retention and Destruction Policy. JMCO does not retain original client records or documents. Records prepared by us specifically for you as part of this engagement (for example, financial statements and other financial reports, tax returns, general ledgers, depreciation schedules, etc.) and other supporting records prepared by us (for example, adjusting entries and related support,

data combining schedules, calculations supporting amounts in tax returns and financial statements, letters, memos and electronic mail, etc.) will remain part of the engagement records. When any records are returned or provided to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. JMCO owns and retains the rights to JMCO's internal working papers; any information created by JMCO is not the property of Client. In the event that documents are requested by the Representative or any other individual considered by law or regulation to be our client we will furnish the documents readily available in the Client file (which shall not include any obligation on JMCO's part to undertake a search of JMCO's electronic document and email files) to the requesting party.

13. **Professional Standards**—JMCO will perform this engagement in accordance with the professional standards applicable to the engagement including those standards promulgated by the American Institute of Certified Public Accountants. In the event that issues arise that present a conflict of interest and/or a potential for breach of professional standards it may become necessary to terminate or suspend services of this engagement.
14. **Use of Third Party Providers**—In the normal course of business, JMCO uses the services of third-parties and individual contractors, which are not employees of JMCO. Those services are performed at various levels and in various aspects of JMCO's engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement JMCO may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require JMCO to handle confidential information and JMCO expects third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, JMCO requires those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Client acceptance of this arrangement acknowledges and accepts our handling of confidential Client information including access by third-party and individual service providers.
15. **Limitation of Liability and Actions**—Neither party may assert against the other party any claim in connection with this engagement unless the asserting party has given the other party written notice of the claim within one (1) year after the asserting party first knew or should have known of the facts giving rise to such claim. Notwithstanding anything to the contrary, JMCO's maximum aggregate liability in this engagement (regardless of the nature of the any claim asserted, including contract, statute, any form of negligence, tort, strict liability or otherwise and whether asserted by Client, JMCO or others) shall be limited to twice the sum of the fees paid to JMCO during the term of this engagement. In no event shall JMCO be liable for consequential, incidental, special or punitive loss, damage or expense (including, without limitation, lost profits, opportunity costs, etc.) even if JMCO had been advised of their possible existence. This provision shall survive the termination of this agreement.
16. **Mediation**—Prior to resorting to arbitration or litigation that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement the parties agree to attempt resolution of any dispute in mediation administered by and conducted under the rules of the American Arbitration Association in mediation session(s) in Alachua County, Florida. Unless the parties agree in writing to the contrary, the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party may disclose any facts to the other party or to the mediator that it in good faith considers reasonably necessary to resolve the dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in

# **Consent Agenda**

## WARRANT NO. 147-19

For payment from the CITY OF PORT ORANGE GENERAL  
EMPLOYEES' DEFINED BENEFIT PLAN

**TO:           FIRST STATE TRUST COMPANY**  
**A/C #       70002129**

You are hereby authorized by the Board of Trustees of the City of Port Orange General Employees' Defined Benefit Plan to pay the amounts listed below for services rendered to the said Board of Trustees, and to pay the persons named below, hereby certified by the Board of Trustees:

<u>NAME &amp; ADDRESS</u>	<u>AMOUNT</u>
Benefits USA, Inc. (Admin Fees 7/2019 plus Postage; INV #POG117)	\$ 2,500.00
Rice Pugatch Robinson Storfer & Cohen PLLC (Ste 6)	\$ 330.00
Southeastern Advisory (Investment Consulting Services: INV #1902)	\$ 5,083.00
Integrity Fix Income Management (2 <sup>nd</sup> Qtr. 2019; INV #2405)	\$ 4,469.56
Highland Capital Management (3 <sup>rd</sup> Qtr '19 Mgmt. Fees; INV #21281)	\$ 7,438.37
First State Trust (2 <sup>nd</sup> Qtr. 2019 Custodial Services)	\$ 4,500.00

Approved by the following members of the Board of Trustees this 22<sup>nd</sup>  
day of July, 2019

---

Trustee

---

Trustee



**RICE PUGATCH ROBINSON STORFER & COHEN PLLC**  
**101 NE THIRD AVENUE**  
**SUITE 1800**  
**FT. LAUDERDALE, FL 33301**  
**(954) 462-8000 FAX (954) 462-4300**  
**Fed ID#81-0710147**

Page: 1  
07/11/2019

ACCOUNT NO: 6264-001M  
STATEMENT NO: 6

City of Port Orange General Employees' et al  
Benefits USA (Plan Administrator)  
3810 Inverrary Blvd., Suite 303  
Lauderhill FL 33319

ATTN: Pete Prior & Mei Fang

General Counsel to Pension Plan

**City of Port Orange General Employees' Retirement System - General  
Counsel to Pension Plan**

Email statements to: [pete@benefits-usa.org](mailto:pete@benefits-usa.org); [mei@benefits-usa.org](mailto:mei@benefits-usa.org)

<b>PREVIOUS BALANCE</b>				<b>\$137.50</b>
			Rate	HOURS
06/14/2019	BC	Email from Plan Administrator re: meeting agenda Review meeting agenda	275.00	0.10      27.50
06/19/2019	BC	Emails from Plan Administrator re: agenda packet and question from City re: requirement for impact statement for DC plan Review agenda and packet materials	275.00	0.40      110.00
06/20/2019	BC	Calls with Plan Administrator re: Impact Statement question about DC Plan Review Ordinance re: Impact Statement question about DC Plan Call to Division of Retirement re: Impact Statement question about DC Plan Emails with Plan Administrator re: Impact Statement question about DC Plan	275.00	0.70      192.50
06/24/2019	BC	Attend pension meeting telephonically FOR CURRENT SERVICES RENDERED	0.00	0.60 <hr/> 1.80      330.00
		<b>TOTAL CURRENT WORK</b>		<b>330.00</b>
07/01/2019		Payment - Thank you. First State Trust Company Ck. #72828 for City of Port Orange Gen EE's Legal Fees		-137.50
		<b>BALANCE DUE</b>		<b><u>\$330.00</u></b>

City of Port Orange General Employees' et al

General Counsel to Pension Plan

Page: 2  
07/11/2019  
ACCOUNT NO: 6264-001M  
STATEMENT NO: 6

**PLEASE INCLUDE THE ACCOUNT NUMBER ON YOUR CHECK STUB.  
THANK YOU.**

SOUTHEASTERN ADVISORY SERVICES, INC.



3495 Piedmont Road, NE Bldg 12-202  
Atlanta, GA 30305  
Phone 404 237 3156

**DATE:** July 1, 2019  
**INVOICE #** 1902  
**FOR:** 2Q19

**Bill To:**

Mr. Pete Prior / Ms. Mei Fang  
Port Orange General Employees' DB Fund  
Benefits USA  
3810 Inverrary Blvd, Ste 208  
Lauderhill, FL 33319  
cc: JRobinson@fs-trust.com

DESCRIPTION	AMOUNT
Performance Measurement and Related Investment Consulting Services Retainer Fee \$20,330 Per Year ( $20,330 / 4 = \$5,083$ )  Invoice calculations are rounded to the nearest dollar Retainer fee increases based on CPI each calendar year, with 1Q Invoice sent April of each year	\$5,083
<b>TOTAL</b>	<b>\$5,083</b>

Please send your payment to:

**Southeastern Advisory Services, Inc.**  
**3495 Piedmont Road, NE Bldg 12-202**  
**Atlanta, GA 30305**

If you have any questions concerning this invoice, contact:  
Jeff Swanson, 904 233 7600, jeff@seadvisory.com

**Thank you for your business!**

Integrity Fixed Income Management, LLC  
651 Bryn Mawr Street  
Orlando, FL 32804  
(407) 481-2403

Invoice

Benefits USA, Inc.  
Attn: Mei Fang c/o Port Orange General Employee Pension  
3810 Inverrary Blvd., Suite 103  
Lauderhill, FL 33319

Invoice # 2405

7/11/2019

**Port Orange General Employee Pension  
Statement of Management Fees  
For Quarter Ended June 30, 2019**

---

<u>Date</u>	<u>Portfolio Value</u>	<u>Annual Fee</u>	<u>Quarterly Fee</u>	<u># of Days Prorated</u>	<u>% of Quarter</u>	<u>Prorated Fee</u>
6/26/2019	\$7,155,060	\$17,887.65	\$4,471.91	87	95.6%	4,275.35
6/30/2019	\$7,069,443	\$17,673.61	\$4,418.40	4	4.4%	194.22
				<b>91</b>	<b>100.0%</b>	<b>\$4,469.56</b>

Annual Fee Schedule  
0.25% on balance

**Quarterly Management Fee Due**

**\$4,469.56**



July 5, 2019

Invoice Number: 21281

MANAGEMENT FEE:

PORT ORANGE EMPLOYEES' RETIREMENT SYSTEM  
VALUE

---

6/30/2019 Portfolio Value:	\$ 5,955,620.67
Exclude Dividend Accrual	- 4,922.90
Billable Value	<u>\$ 5,950,697.77</u>

Quarterly Fee Based On:

\$ 5,950,698 @ 0.50% per annum \$ 7,438.37

Quarterly Fee:

For the Period 7/1/2019 through 9/30/2019 \$ 7,438.37

Paid by Debit Direct (\$ 0.00)  
**Please Remit** \$ 7,438.37

Wiring Instructions:

First Tennessee Bank

ABA# 084000026

Acct# 22-0001278809

For Credit to: Highland Capital Management, LLC.

Mailing Check:

Highland Capital Management, LLC

6075 Poplar Ave, Suite 703

Memphis, TN 38119

\*\*\*\*\*Note new checking account number\*\*\*\*\*

Highland Capital Management, LLC  
**PORTFOLIO APPRAISAL**  
**PORT ORANGE EMPLOYEES' RETIREMENT SYSTEM VALUE**  
*June 30, 2019*

Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
<b>CASH AND EQUIVALENTS (USD)</b>								
	cash	cash		14,157.74		14,157.74	0.2	2.3
	divacc	Dividend Accrual		4,922.90		4,922.90	0.1	?
				19,080.64		19,080.64	0.3	1.7
<b>COMMON STOCK (USD)</b>								
<b>Energy</b>								
1,296.0000	CVX	CHEVRON CORP	105.78	137,090.37	124.44	161,274.24	2.7	3.8
468.0000	COP	CONOCOPHILLIPS	52.37	24,509.30	61.00	28,548.00	0.5	2.0
500.0000	BOG	EOG RESOURCES INC	91.53	45,764.95	93.16	46,580.00	0.8	1.2
2,156.0000	XOM	EXXON MOBIL CORPORATION	85.26	183,826.80	76.63	165,214.28	2.8	4.5
3,984.0000	MRO	MARATHON OIL CORP	32.03	127,622.62	14.21	56,612.64	1.0	1.4
890.0000	MUR	MURPHY OIL CORP	61.32	54,577.02	24.65	21,938.50	0.4	4.1
703.0000	OXY	OCCIDENTAL PETROLEUM CORP	71.22	50,069.76	50.28	35,346.84	0.6	6.2
562.0000	PSX	PHILLIPS 66	75.98	42,700.29	93.54	52,569.48	0.9	3.8
1,453.0000	SLB	SCHLUMBERGER LTD	65.07	94,552.87	39.74	57,742.22	1.0	5.0
562.0000	VLO	VALERO ENERGY CORP	57.41	32,261.89	85.61	48,112.82	0.8	4.2
				792,975.87		673,939.02	11.3	3.8
<b>Materials</b>								
375.0007	CTVA	CORTEVA INC	34.75	13,032.15	29.57	11,088.77	0.2	0.0
400.0000	DOW	DOW INC	53.18	21,272.49	49.31	19,724.00	0.3	5.7
125.0000	DD	DOWDUPONT INC	80.31	10,038.56	75.07	9,383.75	0.2	2.2
3,234.0000	GPK	GRAPHIC PACKAGING HOLDING CO	13.76	44,497.58	13.98	45,211.32	0.8	2.1
890.0000	LYB	LYONDELLBASELL INDUSTRIES NV	90.41	80,462.80	86.13	76,655.70	1.3	4.9
1,078.0000	NUE	NUCOR CORP	67.59	72,864.39	55.10	59,397.80	1.0	2.9
				242,167.97		221,461.34	3.7	3.5
<b>Industrials</b>								
750.0000	CSX	CSX CORPORATION	33.46	25,098.50	77.37	58,027.50	1.0	1.2
703.0000	ETN	EATON CORPORATION PLC	67.47	47,430.50	83.28	58,545.84	1.0	3.4
4,739.0000	GE	GENERAL ELECTRIC COMPANY	28.45	134,839.12	10.50	49,759.50	0.8	0.4
3,844.0000	JBLU	JETBLUE AIRWAYS CORP	17.52	67,333.74	18.49	71,075.56	1.2	0.0
250.0000	LMT	LOCKHEED MARTIN CORPORATION	348.83	87,207.63	363.54	90,885.00	1.5	2.4
318.0000	NSC	NORFOLK SOUTHERN CORP	73.30	23,309.88	199.33	63,386.94	1.1	1.7
390.0000	OSK	OSHKOSH CORPORATION	69.40	27,066.78	83.49	32,561.10	0.5	1.3
267.0000	UTX	UNITED TECHNOLOGIES CORP	111.88	29,872.07	130.20	34,763.40	0.6	2.3

Highland Capital Management, LLC  
**PORTFOLIO APPRAISAL**  
**PORT ORANGE EMPLOYEES' RETIREMENT SYSTEM VALUE**  
*June 30, 2019*

Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
25.0004	WAB	WABTEC CORP	219.26	5,481.62	71.76	1,794.03	0.0	0.7
				447,639.84		460,798.87	7.7	1.6
<b>Consumer Discretionary</b>								
1,546.0000	EBAY	EBAY INC	42.77	66,125.67	39.50	61,067.00	1.0	1.4
2,765.0000	F	FORD MOTOR COMPANY	12.50	34,563.69	10.23	28,285.95	0.5	5.9
1,453.0000	GM	GENERAL MOTORS CO	39.81	57,837.73	38.53	55,984.09	0.9	3.9
703.0000	TGT	TARGET CORP	85.54	60,132.73	86.61	60,886.83	1.0	3.0
				218,659.82		206,223.87	3.5	3.2
<b>Consumer Staples</b>								
400.0000	CPB	CAMPBELL SOUP COMPANY	50.00	20,001.32	40.07	16,028.00	0.3	3.5
562.0000	INGR	INGREDION INC	79.60	44,735.29	82.49	46,359.38	0.8	3.0
562.0000	PEP	PEPSICO INC	116.68	65,575.79	131.13	73,695.06	1.2	2.9
1,359.0000	PG	PROCTER & GAMBLE COMPANY	83.70	113,743.52	109.65	149,014.35	2.5	2.7
1,406.0000	USFD	US FOODS HOLDING CORP	35.03	49,258.79	35.76	50,278.56	0.8	0.0
750.0000	WBA	WALGREENS BOOTS ALLIANCE INC	77.22	57,914.93	54.67	41,002.50	0.7	3.2
				351,229.64		376,377.85	6.3	2.5
<b>Health Care</b>								
984.0000	ABT	ABBOTT LABORATORIES	53.02	52,175.62	84.10	82,754.40	1.4	1.5
425.0000	AMGN	AMGEN INC	173.45	73,718.01	184.28	78,319.00	1.3	3.1
281.0000	ANTM	ANTHEM INC	222.41	62,497.69	282.21	79,301.01	1.3	1.1
187.0000	CI	CIGNA CORPORATION	30.14	5,635.41	157.55	29,461.85	0.5	0.0
1,125.0000	CVS	CVS CORPORATION	70.44	79,241.04	54.49	61,301.25	1.0	3.7
375.0000	HCA	HCA HEALTHCARE INC	85.00	31,876.31	135.17	50,688.75	0.9	1.2
984.0000	JNJ	JOHNSON & JOHNSON	105.51	103,823.55	139.28	137,051.52	2.3	2.7
843.0000	MRK	MERCK & COMPANY	58.81	49,575.82	83.85	70,685.55	1.2	2.6
1,968.0000	PFE	PFIZER INC	34.05	67,007.87	43.32	85,253.76	1.4	3.3
1,734.0000	PINC	PREMIER INC	32.34	56,082.81	39.11	67,816.74	1.1	0.0
281.0000	UNH	UNITEDHEALTH GROUP INC	242.88	68,248.30	244.01	68,566.81	1.2	1.8
984.0000	VTR	VENTAS INC	63.56	62,543.54	68.35	67,256.40	1.1	4.6
				712,425.97		878,457.04	14.8	2.3
<b>Financials</b>								
421.0000	AXP	AMERICAN EXPRESS	94.38	39,734.82	123.44	51,968.24	0.9	1.3
1,653.0000	AIG	AMERICAN INTERNATIONAL GROUP	44.82	74,090.78	53.28	88,071.84	1.5	2.4
4,405.0000	BAC	BANK OF AMERICA CORPORATION	17.70	77,987.10	29.00	127,745.00	2.1	2.1
1,125.0000	BRK/B	BERKSHIRE HATHAWAY INC-CL B	132.71	149,298.98	213.17	239,816.25	4.0	0.0

Highland Capital Management, LLC  
**PORTFOLIO APPRAISAL**  
**PORT ORANGE EMPLOYEES' RETIREMENT SYSTEM VALUE**  
*June 30, 2019*

Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
140.0000	BLK	BLACKROCK INC	525.36	73,550.57	469.30	65,702.00	1.1	2.8
187.0000	CB	CHUBB LTD	139.19	26,028.04	147.29	27,543.23	0.5	2.0
1,140.0000	C	CITIGROUP INC	50.81	57,921.02	70.03	79,834.20	1.3	2.6
421.0000	GS	GOLDMAN SACHS GROUP	228.04	96,006.27	204.60	86,136.60	1.4	1.7
2,250.0000	JPM	JP MORGAN CHASE & CO	51.57	116,032.19	111.80	251,550.00	4.2	2.9
656.0000	LNC	LINCOLN NATIONAL CORP	53.51	35,103.74	64.45	42,279.20	0.7	2.3
609.0000	PRU	PRUDENTIAL FINANCIAL INC	106.05	64,582.38	101.00	61,509.00	1.0	4.0
4,875.0000	RF	REGIONS FINANCIAL CORP	14.48	70,593.94	14.94	72,832.50	1.2	3.7
1,781.0000	USB	US BANCORP	43.11	76,784.79	52.40	93,324.40	1.6	2.8
2,765.0000	WFC	WELLS FARGO COMPANY	51.52	142,448.36	47.32	130,839.80	2.2	3.8
				1,100,162.98		1,419,152.26	23.8	2.3
<b>Information Technology</b>								
3,703.0000	CSCO	CISCO SYSTEMS INC	28.19	104,400.23	54.73	202,665.19	3.4	2.6
2,109.0000	GLW	CORNING INC	25.21	53,159.17	33.23	70,082.07	1.2	2.4
270.0000	DELL	DELL TECHNOLOGIES INC	74.09	20,003.09	50.80	13,716.00	0.2	0.0
		C						
245.0000	DXC	DXC TECHNOLOGY CO	60.27	14,765.34	55.15	13,511.75	0.2	1.5
3,937.0000	HPE	HEWLETT PACKARD ENTERPRISE CO	13.89	54,689.68	14.95	58,858.15	1.0	3.0
2,812.0000	INTC	INTEL CORPORATION	15.52	43,638.09	47.87	134,610.44	2.3	2.6
562.0000	MU	MICRON TECHNOLOGY INC	31.01	17,425.93	38.59	21,687.58	0.4	0.0
890.0000	MSFT	MICROSOFT CORPORATION	47.65	42,408.29	133.96	119,224.40	2.0	1.4
703.0000	ORCL	ORACLE CORPORATION	41.48	29,161.50	56.97	40,049.91	0.7	1.7
122.0000	PRSP	PERSPECTA INC	16.51	2,014.12	23.41	2,856.02	0.0	1.0
715.0000	QCOM	QUALCOMM INC	65.96	47,161.93	76.07	54,390.05	0.9	3.3
				428,827.37		731,651.56	12.3	2.3
<b>Communication Services</b>								
3,844.0000	T	AT&T INC	36.62	140,777.46	33.51	128,812.44	2.2	6.1
2,803.0000	CMCSA	COMCAST CORP CL A	36.51	102,325.26	42.28	118,510.84	2.0	2.0
2,156.0000	VZ	VERIZON COMMUNICATIONS	52.20	112,539.61	57.13	123,172.28	2.1	4.2
		WALT DISNEY COMPANY	116.13	65,263.82	139.64	78,477.68	1.3	1.3
				420,906.16		448,973.24	7.5	3.6
<b>Utilities</b>								
1,312.0000	AEP	AMERICAN ELECTRIC POWER INC	71.43	93,711.69	88.01	115,469.12	1.9	3.0
656.0000	DUK	DUKE ENERGY CORPORATION	75.56	49,564.34	88.24	57,885.44	1.0	4.2
1,406.0000	EXC	EXELON CORP	35.16	49,433.29	47.94	67,403.64	1.1	3.0

Highland Capital Management, LLC  
**PORTFOLIO APPRAISAL**  
**PORT ORANGE EMPLOYEES' RETIREMENT SYSTEM VALUE**  
*June 30, 2019*

Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
468.0000	NEE	NEXTERA ENERGY INC	169.78	79,456.32	204.86	95,874.48	1.6	2.4
				272,165.65		336,632.68	5.7	3.1
<b>Real Estate</b>								
500.0000	CCI	CROWN CASTLE INTL CORP	129.42	64,710.45	130.35	65,175.00	1.1	3.5
796.0000	IRM	IRON MOUNTAIN INC	39.28	31,269.75	31.30	24,914.80	0.4	7.8
890.0000	OHI	OMEGA HEALTHCARE INVESTORS INC	31.25	27,808.63	36.75	32,707.50	0.5	7.2
750.0000	PLD	PROLOGIS	53.80	40,348.57	80.10	60,075.00	1.0	2.6
				164,137.40		182,872.30	3.1	4.4
		<b>COMMON STOCK (USD) Total</b>		5,151,298.66		5,936,540.03	99.7	2.7
<b>TOTAL PORTFOLIO</b>				<b>5,170,379.30</b>		<b>5,955,620.67</b>	<b>100.0</b>	<b>2.7</b>



City of Port Orange Gen EEs' DB - C/D

**INVOICE**

---

City of Port Orange General EE's  
Benefits, USA  
3810 Inverrary Blvd., Suite 303  
Lauderhill, FL 33319

---

Today's Date: 7/16/2019

**Quarterly Asset-Based Fee**

Quarterly 4/1/2019 to 6/30/2019

Market Value Calculation Method: Standard (As Of)

---

**Fee Detail**

Total Market Value :	711,490.93
Less Market Value :	0.00
Net Market Value:	711,490.93

**Market Value Invoice Amount: 4,500.00**

Please remit payment to:  
First State Trust Co Fee Lockbox  
Lockbox 7867  
P.O. Box 787867  
Philadelphia, PA 19178-7867

**Questions? Call your FSTC Administrator at (302) 573-5816**

**Administrator : Jim Robinson**

Unpaid invoices will result in the debiting of accounts. If you wish to pre-pay the fee and avoid the automatic debit, please send a check for the total fee amount along with a copy of this page to the address indicated above. Checks sent to any other address will result in a processing delay and could result in the automatic debit taking place.