

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, August 22, 2016, 4:30 P.M.

Members Present:	Bob Ford Joe Meeske Josh Moore Jim Reardon Chris Taylor
Members Absent:	None
Plan Administrator:	Sheila Hutcheson, Julie Enright
Plan Attorney:	Scott Christiansen
Consultant:	Frank Wan, Performance Monitor (BCA)
City Staff:	None

CALL TO ORDER/ DETERMINATION OF A QUORUM

The meeting was called to order at 4:30 p.m. by Chairman Reardon. There was a quorum with all members present.

APPROVAL OF MINUTES - Quarterly Meeting - June 6, 2016; Special Meeting - June 17, 2016

Member Ford made a motion to approve the minutes of the quarterly meeting on June 6, 2016 and the special meeting on June 17, 2016; Member Meeske seconded the motion, which passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Burgess Chambers (BCA), Performance Monitor, quarterly report

Mr. Wan opened with an overview of the global economy, noting Japan and Germany. There has been concern as to how S&P companies have been doing based on the last five quarters. Consumer spending has been up, which has been positive. At this time, it is necessary to wait out the political season. Next, he discussed the investment returns: 1.5% for the quarter; 5.8% for the fiscal year to June 30 (with another 2+% through this date); and 7.1% and 6.7% for the last three and five years' periods, all net of fees. The fund had \$23,920,869 on June 30, 2016, compared to \$24,071,947 on March 31, 2016.

Mr. Wan then reviewed the performance of the managers, noting that the negative detractor has been the PNC small cap segment, but their long-term returns have been good. SSI has done well in relation to the benchmark. Next, he discussed the international portion of the portfolio; it has done well and should continue to out-perform. The real estate investment (REIT) has had incredibly high returns (24%). American Realty has had returns in excess of 10%. Mr. Wan has talked to PNC regarding the fixed income returns, and BCA may look for a new investment for about half of the assets in this segment. At the next meeting, he will address if a change should be made in this regard.

Scott Christiansen, Plan Attorney

The Attorney confirmed that all the Trustees had timely filed their annual Financial Disclosure Forms. The Attorney said that the State monies have now been posted and will be distributed soon; the amount is \$365,950. He also said that \$7,800 has been allocated to the supplemental monies, of which the Plan may receive a portion in a few months. Mr. Christiansen asked the Administrator to notify the Mayor's office to ensure that the monies are timely deposited to the pension fund when received.

Next, he discussed the Plan ordinance with respect to a change in the service credit for volunteer time as a firefighter. The Actuary has asked Attorney Christiansen for his input as to how to calculate this service, since the City's ordinance did not remove the prior ordinance's conflicting language. This question has been sent to City Pension Attorney Jim Linn, who prepared the ordinance, but there has been no answer or acknowledgement of receipt of the inquiry. There was continued discussion on the intent of the past negotiations and the ordinance language. Member Ford will follow up with the City Manager in this regard to obtain an answer from Mr. Linn on the question regarding volunteer service credit for benefit calculations.

Sheila Hutcheson, Plan Administrator

- PNC quarterly retiree death audit - no deaths reported by bank.
- Death of Carl Campbell (July 26, 2016) was reported by his family; 66&2/3% benefit processed to his joint annuitant as of August 1, 2016.
- PNC fee reduction (effective billing as of 9/30/16) authorized by Board processed; fee addendum was executed in June, 2016.
- 2015 Annual Report has been approved by the Division of Retirement (notice dated 7/13/16).
- Authorization to BCA for allocation of State monies when received.

Member Meeske made a motion to authorize BCA to prepare the direction for allocation of the state monies for execution by the Chairman when the funds are received; Member Moore seconded the motion, which passed unanimously.

- Pension Fiduciary Insurance renewal application (for 10/5/16 policy) was submitted on 7/11/16; premium expected in September and coverage will be bound.
- Police/Fire Pension Conference (Division of Retirement) Orlando (Nov. 2 - 4, 2016).
- Detailed accounting of prior fiscal year's administrative expenses will be submitted to the Board at the November meeting.
- Benefit confirmation forms will be sent to retirees with a notice of the change of Administrator to Julie Enright as of January 1, 2017.
- Authorization for Attorney to prepare contract for Plan Administrator Julie Enright (as of Jan. 1, 2017) at a fee of \$1800/month (same as current Administrator's contract), guaranteed for one year + reasonable expenses, such as mileage, postage, copying.

Member Moore made a motion to authorize the Attorney to prepare a contract with Plan Administrator Julie Enright as of January 1, 2017 at a fee of \$1800/month (same as current Administrator's contract), guaranteed for one year + reasonable expenses, such as mileage, postage,

copying, etc., for execution by the Chairman and Secretary; Member Meeske seconded the motion, which passed unanimously.

- Next quarterly meeting is on November 14, 2016 in the Conference Room - 4:30 p.m.

NEW BUSINESS - Consideration of administrative budget for submittal to the City and for availability to Plan Members (for FY 16/17)

The proposed budget was submitted for review by the Board, with current expenses and assumptions included. The Administrator noted that both the Consultant (Burgess Chambers Associates) and the custodian bank (PNC) confirmed that their fee structure will not increase during the next fiscal year; budget amounts for these services are increased as they are based on asset size. Trustee Meeske had asked that the Board consider joining FPPTA; funds are included in the budget item for Travel & Training. Member Meeske asked the Board if anyone had any objections and the Board was supportive of this action.

Member Meeske made a motion to adopt the FY16/17 administrative budget, including funding for FPPTA membership and training events, which will be amended only if exceeded in the aggregate (not by line item), for submittal to the City of Port Orange and for access by plan members on the Headquarters and Fire Stations' bulletin boards; Member Ford seconded the motion, which passed unanimously.

OLD BUSINESS - none

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS and DEPOSITS

- **DISBURSEMENTS**
 1. Sheila Hutcheson, Professional Services - **\$5,400.00** (quarterly administration fees)
 2. Christiansen & Dehner, Professional Services - **\$39.40 , \$1,641.27**
 3. PNC fees for custody, quarterly fee, 2nd quarter, 2016 : SSI -**\$296.71**; MCV - **\$219.52**; Real Estate - **\$164.81**; International - **\$344.39**; FMI - **\$686.81** (total fees: \$1,712.24)
 4. PNC Asset Management, quarterly fee, 2nd quarter, 2016 - **\$6,267.78**
 5. Fiduciary Management Inc., quarterly fee, 2nd quarter, 2016 - **\$9,917.00**
 6. Burgess Chambers, Performance Monitor, quarterly fee, 2nd quarter, 2016 - **\$11,953.68**
 7. SSI, quarterly fee, 2nd quarter, 2016 - **\$5,062.00**
 8. American Core Realty Fund - quarterly fee, 2nd quarter, 2016 -**\$3,293.15**
 9. Foster & Foster, actuarial services - **\$635.00, \$10,604.00**
 10. Randy Lowe, refund of member contribution to non-vested member - **\$7,466.84**
 11. Trustee Meeske, Police/Fire Pension Conference (May, 2016), mileage & meals reimbursement - **\$348.47**
 12. Chris Weir commencement of normal retirement on September 1, 2016, lifetime with 100% joint survivor option - **\$2,169.40 /month (estimate)**

DEPOSITS - none

Member Meeske made a motion to ratify the Disbursements, Return of Contributions and Deposits; Member Taylor seconded the motion, which passed unanimously.

**STAFF REPORTS, DISCUSSION, AND ACTION/TRUSTEES' REPORTS, DISCUSSION,
AND ACTION /REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT**

Member Meeske commented about the new City and Department administration. Member Moore asked about registration for the November conference; the Administrator advised as to the procedure. He also asked for clarification on the service credit for his ten months of volunteer/reserve tenure; Mrs. Hutcheson will contact the Actuary in this regard to confirm that the one month for each year of volunteer service is pro-rated as one-twelfth of the number of months of reserve service.

ADJOURNMENT - There was no further business; the Chairman adjourned the meeting at 5:25 p.m.

Respectfully Submitted:

Approved:


Sheila Hutcheson, Plan Administrator


Jim Reardon, Chairman