CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, May 14, 2018, 4:30 PM

Members Present:	Joe Meeske, Secretary
	Bob Ford
	Vince Jones
	Chris Taylor
Members Absent:	Jim Reardon, Chairman
Plan Administrator:	Julie Enright
Plan Attorney:	Pedro Herrera
Consultant:	Frank Wen, Burgess Chambers, Performance Monitor (BCA)

CALL TO ORDER/DETERMINATION OF A QUORUM

Secretary Meeske called the meeting to order at 4:30 PM. There was a quorum with four members present.

Election of Officers (Chairman, Secretary) – Member Taylor moved to keep the Officers the same with Chairman Reardon and Secretary Meeske; Member Ford seconded the motion, which passed unanimously.

APPROVAL OF MINUTES – Quarterly Meeting, February 19, 2018

Member Ford moved to approve the minutes of February 19, 2018; Member Jones seconded the motion, which passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wen, Burgess Chambers (BCA), Performance Monitor, quarterly report as of March 31, 2018

Mr. Wen presented the March 31, 2018 total fund investment performance report. He noted the potential impact of the U.S./Chinese tariffs to the U.S. economy with the possibility of a rise in inflation and volatility in the stock markets.

Then Mr. Wen discussed the fund balance market value of $28,755,032 for March 31, 2018 as compared to the value of $28,877,742 for December 31, 2017 with a quarterly loss of -0.06%, and a fiscal year gain of +2.6%. He noted that although there was a slight quarterly loss, the portfolio is balanced and on track to meet expected returns. They recommend to keep the portfolio as is for the next quarter and then to focus on effects of the mid-term elections.

Burgess Chambers recently celebrated its 30th anniversary, noting that the Port Orange Fire Pension was its third customer. Mr. Wen thanked the Board for working with Burgess Chambers over the past ten years.

Pedro Herrera, Plan Attorney

Mr. Herrera discussed legislative changes and noted that there was a change to the Workers Compensation law, where Post Traumatic Stress Disorder (PTSD) is now a compensable injury (work related) and is covered by Workers Compensation. The potential impact to the pension is a future disability application for PTSD where it is considered a work-related illness. Noted is that the change is not to the pension statutes, but to the workers compensation statues.

Mr. Herrera also noted the proposed legislation regarding cancer as a presumptive disease for police and fire did not pass; and reminded the Board that the State required Financial Disclosure form is due July 1st.

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Julie Enright, Plan Administrator

Mrs. Enright presented her report to the Board and noted: the PNC retiree death audit was completed for the month with no deaths reported by the bank, completion and submittal of the Annual State report, impact statements were requested from Foster & Foster for pending ordinances on the Share Plan and terms of office, received correspondence from Foster & Foster regarding "Naples Calculation" that determines the amount of State Monies the City can use each year, 3 benefit calculations are in process, completed PNC survey, updated the Agenda information for disability and appeal provisions, and noted the next quarterly meeting of the Board is scheduled for August 13, 2018.

NEW BUSINESS – None

OLD BUSINESS

Continue discussion regarding vesting of supplemental benefits as it relates to the plan changes implemented.

Pension Plan Attorney Pedro Herrera updated the Board on discussions he had with the City's attorney and their pension attorney, noting that there is pending arbitration on this issue. Discussion ensued regarding the status of the pending arbitration. Noted the 2012 ordinance changed the supplemental benefit but its language did not specify prospective application of the change similarly to the COLA. Currently there are members who are looking to enter the DROP and the Board needs clarification on the interpretation of this section of the ordinance.

Mr. Herrera advised the Board that a member can enter the DROP while the dispute is being resolved. Discussion ensued regarding the ability to change the pension calculations once a member enters the DROP because the retiree has not had constructive receipt of the monies (language in pension Ordinance). Mr. Herrera advised that a benefit can be adjusted up or down in the DROP and the option can be changed until "constructive receipt of the monies."

Mr. Herrera noted that the Board does not determine policy and advised that the ordinance is written in a specific way and the Board would have to counter the written ordinance for specific reason such as violation of Florida Statute. If it is a question of interpretation of the ordinance, then he advised that if the Board decided to proceed with countering the City's interpretation of the ordinance this action could lead to litigation with the City. He could write an opinion letter to the City and advised that the better way to resolve this would be through the Union and the grievance process rather than through the Board.

Secretary Meeske made a motion to have the Board attorney write an opinion letter regarding the interpretation of the ordinance as regards the supplemental benefit; Member Taylor seconded the motion which passed unanimously.

Discussion ensued regarding the meaning of vesting and locking in benefits at time of vesting. Mr. Herrera advised that there is a difference between vesting and normal retirement age. Generally vesting means an entitlement to accrued benefits as of the date of vestment, however, benefits can be changed prospectively. The issue with the City is whether or not the supplemental benefit was an accrued benefit at the time of the 2012 change.

Member Ford made a motion to table vesting of supplemental benefits pending resolution by bargaining parties; Member Taylor seconded the motion, which passed unanimously.

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RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSITS

- **DISBURSEMENTS**

1. Sugarman & Susskind, Professional Services - **$170.00; $340.00**
2. PNC fees for custody, quarter end 3/31/18: FMI - **$877.08;** SSI -**$356.21;** Cash - **$0;** MCV - **$277.29;** Real Estate - **$154.53**; International - **$442.65;** Fixed income ETF - **$313.44;** Integrity **$624.60** (total fees: **$3,045.80**)
3. Fiduciary Management Inc., 3/31/18 quarterly fee - **$11,988.00**
4. Burgess Chambers, Performance Monitor, 3/31/18 quarterly fee - **$10,773.57**
5. SSI, quarterly fee, 3/31/18 quarterly fee - **$6,224**
6. American Realty Advisors – 3/31/18 quarterly fee -**$3,676.70**
7. Integrity Fixed Income Management – 3/31/18 quarterly fee - **$3,123.13**
8. Julie Enright, Professional Services - **$7200** (quarterly administration fees paid for Feb, Mar, Apr); mileage & copy reimbursement **$41.73; $26.73**
9. Foster & Foster dated 4/27/18 in the amount of **$20,754.00**
10. Distribution of annual COLA's for March, April, May to: Bazanos, Hammons, Morrisey, Vola, Amara, Delameter, Meister, Nigh, Rafferty, DelValle, Jenkins, Pelletier, St.Claire, Stewart

Member Taylor made a motion to approve the Disbursements as listed in the Agenda; Member Ford seconded the motion, which passed unanimously.

STAFF REPORTS, DISCUSSION, AND ACTION/TRUSTEES' REPORTS, DISCUSSION, AND ACTION - None

REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT
Fire Chief asked the Board if they know how many staff will be entering the DROP in the near future. Secretary Meeske advised about 2 – 3 will enter the DROP in the near future.

ADJOURNMENT – There was no further business; Secretary Meeske adjourned the meeting at 6:05 PM.

Respectfully Submitted:

Julie Enright

Julie Enright, Plan Administrator

Approved:

Jim Reardon

Jim Reardon, Chairman