CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, May 13, 2019, 4:30 PM

Members Present:	Jim Reardon, Chairman, arrived at 5:15 PM Joe Meeske, Secretary Vince Jones Scott Stiltner Chris Taylor
Members Absent:	None
Plan Administrator:	Julie Enright
Plan Attorney:	Pedro Herrera
Consultant:	Frank Wen, Burgess Chambers, Performance Monitor (BCA), Anthony Yuereb, Polen Capital

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.

APPROVAL OF MINUTES – Quarterly Meeting, February 18, 2019

Member Taylor moved to approve the minutes of February 18, 2019; Member Stiltner seconded the motion, which passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wen, Burgess Chambers (BCA), Performance Monitor, quarterly report as of March 31, 2019

Mr. Wen presented the March 31, 2109 total fund investment performance report. He noted the total fund value as of 03/31/2019 was $30,366,736 and the value as of 12/31/2018 was $24,104,539.

Mr. Wen advised the Board that PNC Small Cap fund was sold and the funds will automatically be moved to Federated Investors if PNC is not notified of the Board's fund investment preference. Mr. Wen recommended moving the funds to the Vanguard Small Cap Index fund.

Member Taylor moved to consolidate the PNC Small Cap funds to the Vanguard Small Cap Index fund; Member Jones seconded the motion, which passed unanimously.

Mr. Wen advised the Board that he will be doing an analysis of the SSI Convertibles and will bring his analysis to the Board at the next meeting.

Mr. Wen introduced Mr. Anthony Yuereb, Relation Manager of Polen Capital to the Board. Mr. Yuereb presented information on the firm's investment policies and growth strategies. He noted the firm manages total assets of $25.3 billion. Polen Capital is a Large Cap fund with an investment strategy that focuses on quality companies holding securities for an average of 5 years looking to minimize risk and maximize return.

Mr. Yuereb advised the Board their firm has an investment vehicle called Collected Investment Trust (CIT) that has lower fees but requires a higher minimum investment with a more favorable fee. He will discuss with his firm the possibility of waiving the minimum investment requirement.

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, May 13, 2019, 4:30 PM

Mr. Wen advised the Board that at the next meeting he would bring the investment policy statement requesting a reduction in fees and will have information regarding the Collected Investment Trust (CIT). He noted that due to current market conditions he recommends minimizing the movement of funds and will advise further at the next meeting.

Pedro Herrera, Plan Attorney

Mr. Herrera presented his report as follows: 1. Financial Disclosure forms are due July 1st and he will advise the Board of the e-file address. 2. Florida Statute 2019-21, identifies various forms of cancer that qualify as presumed to be in-line of duty or service connected that qualifies for disability/death benefits. Noted is that there is a worker's compensation opt out option and employer paid health care out of pocket expenses. There is a provision that the individual must have worked in the fire service for five years and during that time cannot have other exposure to potential cancers through another employment or life style choices. Mr. Herrera will present their analysis of the statute in conjunction with the Actuary's financial analysis to the Board at its next meeting. 3. Disability application is in process the independent medical examination has been completed and received by the plan attorney, next step is to hold an informal disability hearing with the applicant, noted is that the applicant can request a full Board at the hearing. 4. Consensus of the Board to move item H. Clarification of Average Final Compensation (AFC) from the Plan Administrator section to the Plan Attorney section. This is in regards to the request of a Member for a legal opinion on average final compensation, Mr. Herrera requested direction from the Board on this request. Discussion ensued and it was noted that the opinion would affect all of the members of the plan and the ordinance is ambiguous. A prior attorney for the Board recommended following the actuary's analysis of the pension ordinance change and the Board at that time voted to follow that advise. Noted is that the union contract was imposed not agreed to by the Union, and since then future contracts used the same language. Mr. Herrera noted that the Board does not create policy, its role is to administer the policy. The question is whether the computation of average final compensation is being done correctly. Consensus of the Board is to have the Plan Attorney to review the language and issue an opinion letter. Also discussed was the Supplemental Benefit and Mr. Herrera advised that Patrick Donlan and Jim Linn are working on this item.

Julie Enright, Plan Administrator

Mrs. Enright presented her report to the Board and noted: PNC retiree death audit - no deaths reported by bank, final submittal of Audited Financial Statements for the Annual Report sent to Foster & Foster, Distributed the Declaration of Rate of Returns to the City and State, coordinated with Burgess Chambers to set up new account with Polen Growth Fund, coordinated rebalancing to meet monthly expenses with Burgess Chambers and PNC, noted FPPTA Conference is scheduled for June 30 to July 3 in Orlando, noted disability applicant's IME was completed as noted above, member request on average final compensation discussed above, noted SSI requested update of signature authorization, and the next meeting of the Board is scheduled for August 19, 2019.

NEW BUSINESS - None

OLD BUSINESS - None

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, May 13, 2019, 4:30 PM

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSITS

1. Sugarman & Susskind, Professional Services dated March 14, 2019: $2,931.54
2. PNC fees for custody, quarter end 3/31/19: FMI - **$1,026.24;** SSI -**$380.45;** Cash - **$0;** MCV - **$279.83;** Real Estate - **$81.86**; International - **$397.46;** SCC **$73.62**; Fixed income ETF - **$327.54;** Integrity **$699.27;** Polen Capital **$129.22** (total fees: **$3,395.49**)
3. Fiduciary Management Inc. 3/31/19 quarterly fee **$13,501**
4. Burgess Chambers, Performance Monitor, 12/31/18 quarterly fee - **$11,382.05**
5. SSI, quarterly fee, 12/31/18 quarterly fee - **$5,805**
6. American Realty Advisors – 12/31/18 quarterly fee -**$3,934.69**
7. Integrity Fixed Income Management – 12/31/18 quarterly fee - **$3,512.95**
8. Julie Enright, Professional Services - **$7200** (quarterly administration fees paid for February, March, April); mileage reimbursement and copy charges **$99.62**
9. Foster & Foster Actuary dated 3/5/19 in the amount of **$17,268 and dated 5/6/19 $7,325**
10. Travel reimbursement to FPPTA Trustee School for Joe Meeske in the amount of **$185.10**
11. IME for Jamie Wilds in the amount of $1037.50 payable to SIMED Rehabilitation Medicine dated 3/25/19
12. Distribution of annual COLA's for March, April and May to: Bazanos, Hammons, Morrisey, B. Vola, Amara, Delameter, Meister, Nigh, Rafferty, Del Valle, Jenkins, Pelletier, Ste. Claire, Stewart
13. Insurance premium deduction change for plan member sent to PNC

Agenda scriber's correction of the date to 03/31/2019 for items 4 thru 7.

Chair Reardon moved to approve the Disbursements as listed in the Agenda; Member Jones seconded the motion, which passed unanimously.

STAFF REPORTS, DISCUSSION, AND ACTION - None

TRUSTEES' REPORTS, DISCUSSION, AND ACTION - None

REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; Chairman Reardon adjourned the meeting at 6:30 PM.

Respectfully Submitted:

Julie Enright

Julie Enright, Plan Administrator

Approved:

Jim Reardon

Jim Reardon, Chairman

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, February 18, 2019, 4:30 PM

Members Present:	Jim Reardon, Chairman
	Joe Meeske, Secretary
	Vince Jones
	Scott Stiltner
Members Absent:	Chris Taylor
Plan Administrator:	Julie Enright
Plan Attorney:	Pedro Herrera, via conference call
Consultant:	Frank Wen, Burgess Chambers, Performance Monitor (BCA)
Actuary:	Patrick Donlan, Foster & Foster Actuaries
City Staff:	None Present
Public:	None Present

CALL TO ORDER/DETERMINATION OF A QUORUM

Chairman Reardon called the meeting to order at 4:30 PM. There was a quorum with three members present.

APPROVAL OF MINUTES – Quarterly Meeting, November 12, 2018

Member Meeske moved to approve the minutes of November 12, 2018; which passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

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

Mr. Wen presented the December 31, 2018 total fund investment performance report. He noted that total fund values as of 12/31/2018 was $24,104,539 with a 7.0% drop in value due to high volatility in the market over the quarter. Although the fund suffered a loss, still it was less of a loss than most other pension funds. He noted that the private real estate investment in American Realty was up for the quarter and this helped smooth the losses of the other investments.

Mr. Wen presented an analysis of the Large Cap funds and recommended the Board add Polen Capital, a mutual fund, with a slightly more aggressive investment strategy that focuses on Blue Chip companies. By adding Polen Capital this will compliment the investment in Fiduciary Management who has a Core Value strategy. This will add diversification without adding additional risk to the Large Cap funds providing downside protection to the investment. Mr. Wen recommends investing $1 million now and invite Polen Capital to review additional funding options. The funds will come from Cash and Fiduciary Management. The fee will be 75 basis points.

Secretary Meeske moved to transfer $1 million from cash and Fiduciary Management to Pollen Capital a mutual fund based on Burgess Chambers recommendation; Member Jones seconded the motion, which passed unanimously.

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, February 18, 2019, 4:30 PM

Pedro Herrera, Plan Attorney

Mr. Herrera presented his report as follows: 1. Update regarding status of the opinion letter for supplemental benefits and Board request for an actuarial impact statement. The impact statement of the cost to include supplemental benefits is completed. Mr. Herrera had discussion and follow-up with City pension attorney who requested information regarding the impact statement. 2. Pending legislative bill, seeking to amend Chapter 112 regarding forfeiture of pension to include correctional officers, and a bill filed to extend the open meeting clause in Florida, expanding the notice provision including an expanded agenda and notice timeframe. 3. Division of Retirement conference in Tallahassee April 30-May 2. 4. Disability application in process pending completion of receipt of the medical records, then schedule an independent medical evaluation, then informal hearing.

Julie Enright, Plan Administrator

Mrs. Enright presented her report to the Board and noted: PNC retiree death audit - no deaths reported by bank; coordinated request for data for the Annual State Report; distributed the Annual Investment Activity Report for FY 17/18 to the City; submitted actual administrative expenses for FY 17/18 to the City for posting on the website and to Plan members (via email 2/5/19); forwarded copies of final Ordinance 2018-4 and 2018-3 to State, Actuary and Plan Attorney; coordinated travel for the Winter FPPTA Trustee School for Member Meeske; coordinated PNC liquidation of the Vanguard Real Estate Index fund to Fiduciary Management; distributed memo for open position (based on recent Ordinance change) for Member Vince Jones (elected) term expiring. Member Jones confirmed for another term (4-year term or end of DROP). Notified members of unopposed term.

NEW BUSINESS

Presentation of 10/1/2018 Actuarial Valuation by Foster & Foster

Mr. Patrick Donlan presented the 10/01/2018 actuarial valuation report. Mr. Donlan discussed the computation of the average final compensation due to the 2013 change in the benefit, noting that the frozen benefit will not change over time, the benefit going forward will change based on the new benefit as stated in the revised pension ordinance. Th

Mr. Donlan noted that to determine the actuarial value of the assets a 4-year rolling average is used to smooth the ups and down of the stock market, he noted the net pension liability that the City includes on its balance sheet is $16,459,487 and the funded ratio is 64.75%. The required contribution is 75.7%. The pension fund investment rate of return as of 10/01/2018 is included in this report and noted the Board had elected to reduce the rate of return from 7.6% to 7.5%. The Board discussed the current rate of return, consensus is to stay at the current rate for now as it is the most common rate in the State of Florida. Mr. Donlan recommended the Board consider an experience study over the summer where the assumptions are analyzed over the last 10 years to determine their actual results so the Board can determine the effectiveness of the assumptions.

Member Stiltner moved to authorize Foster & Foster to complete and Experience Study to be presented at the August Board meeting at a cost of $7,500; Secretary Meeske seconded the motion which passed unanimously.

Secretary Meeske moved to approve the 10/01/2018 Actuarial valuation, Member Stiltner seconded the motion, which passed unanimously.

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, February 18, 2019, 4:30 PM

Declare expected rate of return for the next year, next several years and the long term, based on the advice of its investment professional and/or actuary, for submittal to the State and City

Secretary Meeske moved to declare the expected rate of return for the next year at 7.5%, Member Jones seconded the motion, which passed unanimously.

Approval of "Assignment of Advisory Agreement" with SSI Management and Resolute Investment Managers.

Secretary Meeske moved to approve the Assignment of Advisory Agreement with SSI Management and Resolute Investment Manager, Member Jones seconded the motion, which passed unanimously.

Approval of reduction of the management fee for SSI Management effective 10/1/18

Secretary Meeske moved to approve the reduction of management fee to 75 basis points for SSI Management effective 10/01/2018, seconded by Member Jones, which passed unanimously.

OLD BUSINESS

Discussion regarding correspondence of the Actuarial Analysis of the supplemental benefit provisions.

Mr. Donlan advised the Board that he has answered the City Actuary's questions and he is awaiting any further questions.

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSITS

1. Sugarman & Susskind, Professional Services dated January 15, 2019 - **$4,666.15**
2. PNC fees for custody, quarter end 12/31/18: FMI - **$968.20;** SSI -**$332.50;** Cash - **$0;** MCV - **$244.79;** Real Estate - **$70.55**; International - **$351.11;** Fixed income ETF - **$318.08;** Integrity **$684.46** (total fees: **$2,969.69**)
3. PNC Bank SCC 12/31/18 quarter end $316.84
4. Fiduciary Management Inc., 12/31/18 quarterly **fee $7,236** (included credit)
5. Burgess Chambers, Performance Monitor, 12/31/18 quarterly fee - **$10,533.00**
6. SSI, quarterly fee, 12/31/18 quarterly fee - **$5,542**
7. American Realty Advisors – 12/31/18 quarterly fee **-$3,877.95**
8. Integrity Fixed Income Management – 12/31/18 quarterly fee - **$3,341.02**
9. Julie Enright, Professional Services - **$7200** (quarterly administration fees paid for November, December, January); mileage reimbursement and copy charges **$102.19**
10. Travel expenses for Joe Meeske attendance at the FPPTA Winter School in the amount of $650 for registration and $555 for the hotel.
11. FPPTA 2019 Annual Membership renewal in the amount of $600.
12. Deposit in the amount of $200 for Pension Actuary calculation of purchase of credited service for Joe Wulfing
13. Distribution of annual COLA's for December, January and February to: Amos, Burgman, Shelton, Whalen, Ballinger, Calache, Campbell, Crouch, Dickerson, Ferda, Jania, Kinnamon, Miller, Price, Robertson, Sedacca, Staley, Vola, Weber, Weir, Whitaker, Carrasquillo, Fast, Hodgins, Hooker, Jennettan, Traster
14. Contribution refund to Brandon DelValle in the amount of $17,575.64
15. Insurance premium deduction change and address change for plan members sent to PNC

Secretary Meeske moved to approve the Disbursements as listed in the Agenda; Member Jones seconded the motion, which passed unanimously.

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, February 18, 2019, 4:30 PM

STAFF REPORTS, DISCUSSION, AND ACTION - None

TRUSTEES' REPORTS, DISCUSSION, AND ACTION

Secretary Meeske attended the FPPTA Trustee School and recommend the Trustee School to the Board.

REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; Chairman Reardon adjourned the meeting at 6:00 PM.

Julie Enright — Julie Enright, Plan Admin.

Jim Reardon 5/13/19 — Jim Reardon, Chairman