

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
August 21, 2017, 4:30 PM

Members Present: Joe Meeske, Secretary
Bob Ford
Vince Jones

Members Absent: Jim Reardon, Chairman
Chris Taylor

Plan Administrator: Julie Enright
Plan Attorney: Scott Christiansen
Consultant: Frank Wan, Performance Monitor, Burgess Chambers (BCA)
City Staff: Tracey Riehm, Finance Director
Public: None Present

I. CALL TO ORDER/DETERMINATION OF A QUORUM

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

II. APPROVAL OF MINUTES – Quarterly Meeting, May 15, 2017

Member Ford moved to approve the minutes of May 15, 2017; Member Jones seconded the motion, which passed unanimously.

III. REPORTS (ATTORNEY/CONSULTANTS)

1. Burgess Chambers (BCA), Performance Monitor - Quarterly report as of June 30, 2017

Mr. Wan presented the June 30, 2017 total fund investment performance report and noted the one-year return is 10.2% which is higher than the expected return, the market value of the fund is \$26,666,995 and the market value at March 31, 2017 was \$25,961,990. BCA is monitoring the international markets as their analysis suggests it may be time to increase investments in this sector. Noted is that PNC domestic equity small cap is underperforming. As per their firm's internal investment policy underperforming managers have four consecutive quarters to recover. BCA analyzed the PNC performance and noted that over time their returns fluctuate. In order to give PNC time to recover, BCA recommends continued monitoring.

Discussion ensued regarding investment of the annual State of Florida funds of \$351,038.

Member Ford moved that State of Florida Funds be invested with Integrity Fixed Income; Member Jones seconded the motion, which passed unanimously.

Mr. Wan advised the Board that the new fixed income manager, Integrity Fixed Income, requested changes to the investment policy statement as follows: the index for Total Funds and International Funds from just developed countries to developed countries and emerging markets as the current investments are in funds with both developed and emerging markets, and to allow the fixed income, individual bonds position to raise from 2% to 5% as this allows the fund manager more investment flexibility.

Member Ford moved to approve the revised investment policy statement; Member Jones seconded the motion, which passed unanimously.

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2. Scott Christiansen, Plan Attorney

Attorney Christiansen advised the Board that there was no legislation in the 2017 legislative session that directly impacted pension boards/funds, however there are two bills that indirectly affects the Board as follows: Senate Bill 80, a public records bill enacted that allows a Judge to determine the amount of attorney's fees to be reimbursed if a lawsuit is successful against the Board, and that a Public Records Liaison Officer must be posted. The Liaison Officer is the City Clerk. A public records request must be submitted to the Liaison Officer (City Clerk) and they have five days to respond to the request. House Bill 455, provides a real estate tax exemption for a police officer or firefighter who is disabled in the line of duty and cannot perform any gainful employment (social security standard).

Attorney Christiansen discussed the right of a retiree to a hearing before the Board if the retiree disagrees with a Board decision. Noted is that a retiree divorced and the divorce court order allowed for the ex-spouse to receive the retirement benefit in the event the retiree dies. The retiree has since died and the current spouse hired an attorney because she is not a joint annuitant and has requested a hearing before the Board. The Board tentatively set September 18, 2017 for a special meeting regarding this matter.

3. Julie Enright, Plan Administrator

Plan Administrator Enright presented her report to the Board.

- PNC retiree death audit – no deaths reported by bank
- Plan Administrator received subpoena to attend arbitration hearing for Calache by Attorney representing City. Released from Subpoena
- Preparation and distribution of letter to PNC terminating agreement of Fixed Income account and direction for custodian bank to open a new account for Integrity
- Notification from PNC to maintain fixed income account open for cash flows
- Signatures and distribution of Integrity Fixed Income contract
- Correspondence from Attorney Dawn Calache regarding Carl Campbell and distribution of his death benefit to joint annuitant and response from Attorney Scott Christiansen – need to schedule Special Meeting
- Signatures and distribution of Addendum to Investment Monitoring Agreement with Burgess Chambers
- Signatures for authorized signers with Integrity Fixed Income
- Forwarded City of Port Orange CAFR to Foster & Foster for submittal with Annual State Report
- Request received from law office of Ronald Cutler (Nina Richard) for corrected 1099's of Bonnie Whittaker to be sent to IRS for years 2009-2015. Requested PNC to send.
- Submitted application for Fiduciary Insurance renewal expiring 10/5/17
- Correspondence from State requiring on line submission of Actuarial data for valuations on or after 9/30/17
- FPPTA School is scheduled for October 8-11 in Tampa and Division of Retirement Annual Conference November 15-17 in Orlando
- Next quarterly meeting 11/13/17, 4:30 p.m. Conference Room

Member Ford moved to authorize Board members who need the school to attend the FPPTA school in October 2017; Member Jones seconded the motion, which passed unanimously.

IV. NEW BUSINESS

FY 21017/2018 Administrative Budget

Plan Administrator Enright presented the fiscal year 2017/2018 administrative budget to the Board.

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Member Ford moved to approve the FY 2017/2018 administrative budget for submission to the City; Member Jones seconded the motion, which passed unanimously.

V. OLD BUSINESS

Plan Administrator Enright advised the Board that the Board actuary, Foster & Foster has requested an additional fee of \$500 for the new State of Florida online submission of the state report. Discussion of the request ensued.

Member Ford made a motion to approve a one-time additional fee of \$500 to Foster & Foster for the online submission of the state report; Member Jones seconded the motion, which passed unanimously.

VI. RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSITS

- Julie Enright, Professional Services \$5400 (quarterly administration fees paid for May, June, July); mileage and copy reimbursement \$41.73, \$26.81
- Christiansen & Dehner, Professional Services \$1,207.20; \$592.08, \$768.00
- PNC fees for custody, quarter end 6/30/17: SSI \$335.77; MCV \$257.09; Real Estate \$162.73; International \$405.19; FMI \$821.53; Fixed Income ETF \$291.11; Integrity \$600.90 (total fees: \$2874.32)
- Fiduciary Management Inc 6/30/17 quarterly fee \$10,997
- Burgess Chambers, Performance Monitor, quarterly fee as of 6/30/17 \$9992.21
- SSI quarterly fee 6/30/17 \$5764
- American Realty Advisors 6/30/17 quarterly fee \$3,499.03
- Foster & Foster invoice in the amount of \$5,509.00
- Distribution of annual COLA's for the quarter to: Gregg Bastian, Donald Breedlove, Harry Thomas, Drew Bastian, Frank Sheridan and Richard Tufano

Member Ford made a motion to approve the ratification of disbursements; Member Jones seconded the motion, which passed unanimously.

VII. STAFF REPORTS, DISCUSSION, AND ACTION/TRUSTEES' REPORTS, DISCUSSION, AND ACTION/REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - none

VIII. TRUSTEES' REPORTS, DISCUSSION, AND ACTION

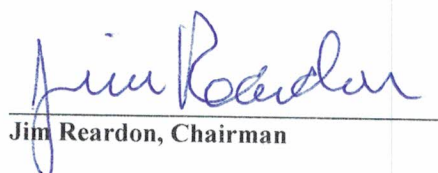
IX. REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - none

X. ADJOURNMENT – There was no further business; Member Ford moved to adjourn; Member Jones seconded the motion, which pass unanimously. The meeting adjourned at 5:46 PM.

Respectfully Submitted:

Approved:


Julie Enright, Plan Administrator


Jim Reardon, Chairman