CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, August 13, 2018, 4:30 PM

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

APPROVAL OF MINUTES – Quarterly Meeting, May 14, 2018

Member Ford moved to approve the minutes of May 14, 2018; Secretary Meeske seconded the motion, which passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wen, Burgess Chambers (BCA), Performance Monitor, quarterly report as of June 30, 2018

Mr. Wen presented the June 30, 2108 total fund investment performance report. He noted the impact of the U.S./Chinese tariffs to the U.S. economy in this quarter was a spike in growth as a result of buying to head off increased prices.

Then Mr. Wen discussed the fund balance market value of $29,242,681 for June 30, 2018 as compared to the value of $28,755,032 for March 31, 2018 with a quarterly gain of +1.8%, and a fiscal year gain of +4.7%. He noted the portfolio is balanced and on track to meet expected returns.

Mr. Wen advised the Board that he would be analyzing the Vanguard funds against the Fidelity funds and may recommend moving away from the Vanguard funds. This is due to the fee difference between the funds, for example the Vanguard bond index fund's fee is 6 basis points whereas the Fidelity bond index fund's fee is 1.5 basis points. Both funds invest similarly, therefore their returns due to market conditions are about the same, the difference is in the fees. He also noted that the American Funds International had losses this quarter, but BCA is still confident in their investment manager.

BCA recommends keeping the portfolio as is for the next quarter and then Mr. Wen will bring the results of his analysis of the Vanguard and Fidelity funds to the Board for their review.

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Pedro Herrera, Plan Attorney

Mr. Herrera reminded the Board the Financial Disclosure forms were due July 1st, Board members can verify that the Supervisor of Elections received their form by either calling the Supervisor's office or going to their website. Plan Administrator, Mrs. Enright will check the website and advise the Board.

Mr. Herrera discussed 2018 legislative changes and noted that there were no changes to the pension statutes but 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 statutes.

Mr. Herrera noted there is a continuing education requirement for Board members and advised of a continuing education opportunity in the Orlando area by the Florida Division of Retirement and also by the FPPTA.

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 one death reported by the Plan Administrator, approval of the 2017 Annual State report from the Division of Retirement – noted is that the 2018 State contribution will be $388,246.02, reviewed the FY2017 Defined Benefit Summary submitted to the City Council by the City, completed renewal application for fiduciary insurance, forwarded disability benefit application package to plan member, submitted mandatory posting documents to the City, the Division of Retirement conference November 14-16 in Kissimmee, completed two plan members benefit calculations, advised City of two plan members entering DROP June 1, 2018, and noted the next quarterly meeting of the Board is scheduled for November 12, 2018.

Discussion ensued regarding the process for DROP member balance statements.
Secretary Meeske made a motion for the Board to provide DROP members a balance statement once per year upon the member's request; Member Ford seconded the motion, which passed unanimously.

Discussion ensued regarding the new terms of office as determined by the revised ordinance. Attorney Herrera confirmed the member term changes as provided by the Plan Administrator and noted that DROP members are eligible to serve on the Board. The new terms of office are as follows: Member Jones and Member Ford, assuming they are elected or appointed would begin a new 4-year term on January 1, 2019. Chairman Reardon, Secretary Meeske, Member Taylor, assuming they are elected or appointed would begin a new 1-year term on January 1, 2020 and then again assuming election or appointment would begin a new 4-year term on January 1, 2021.

NEW BUSINESS

Consideration of administrative expense budget for submittal to the city and availability to plan members for fiscal year 2018/2019.

Discussion ensured regarding the proposed budget and the increase in the budget from FY 17/18 of $194,000 to FY 18/19 of $200,000.
Secretary Meeske made a motion to approve the changes to the FY 2018/2019 proposed budget; Member Ford seconded the motion, which passed unanimously.

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

Mr. Herrera advised that his firm has drafted an opinion letter regarding the interpretation of the city ordinance regarding the supplemental benefit as directed by the Board at its May 14, 2018 meeting. The letter is expected to be forwarded to the Board in the next week for discussion at the next Board meeting.

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSITS

1. Sugarman & Susskind, Professional Services - **$1700.00, $2805.00**
2. PNC fees for custody, quarter end 6/30/18: FMI - **$911.65;** SSI -**$366.51;** Cash - **$0;** MCV - **$287.86;** Real Estate - **$167.72**; International - **$417.60;** Fixed income ETF - **$312.73;** Integrity **$624.07** (total fees: **$3,088.14**)
3. Fiduciary Management Inc., 6/30/18 quarterly fee - **$12,401**
4. Burgess Chambers, Performance Monitor, 6/30/18 quarterly fee - **$10,924.76**
5. SSI, quarterly fee, 6/30/18 quarterly fee - **$6,289**
6. American Realty Advisors – 6/30/18 quarterly fee **-$3,743.22**
7. Integrity Fixed Income Management – 6/30/18 quarterly fee - **$3,119.74**
8. Julie Enright, Professional Services - $**7200** (quarterly administration fees paid for May, June, July); mileage reimbursement **$42.51**
9. Foster & Foster dated 5/23/18 in the amount of **$3,500** and dated 7/30/18 in the amount **$1,000.**
10. Distribution of annual COLA's for June, July and August to: G. Bastian, Breedlove, Thomas, D. Bastian, Sheridan, Tufano
11. Deposit of $12,086 for purchase of 4 years of military service for Paul Nelson.
12. Contribution refund to Christopher Roy in the amount of $15,461.20
13. Initiate DROP for Joseph LaFond effective June 1, 2018 with option of 100% Joint Annuitant.
14. Initiate DROP for Vince Jones effective June 1, 2018 with option of 10 Year Certain and Life.
15. Stop payment for Tom Robertson effective 6/1/18 and initiate payment to beneficiary Kim Robertson as 100% Joint Annuitant benefit.

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

Discussion ensued regarding prior firefighter service and the purchase of prior firefighter or military service per the Florida Statute.

STAFF REPORTS, DISCUSSION, AND ACTION - None

TRUSTEES' REPORTS, DISCUSSION, AND ACTION - None

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REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; Chairman Reardon adjourned the meeting at 5:40 PM.

Respectfully Submitted:

Julie Enright, Plan Administrator

Approved:

Jim Reardon, Chairman