CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, August 19, 2019, 3:30 PM

Members Present:	Jim Reardon, Chairman Joe Meeske, Secretary Marilyn Ford, arrived at 3:40 PM Vince Jones Chris Taylor
Members Absent:	None
Plan Administrator:	Julie Enright
Plan Attorney:	Pedro Herrera, Absent
Consultant:	Frank Wen, Burgess Chambers, Performance Monitor (BCA),
City Staff:	None Present

CALL TO ORDER/DETERMINATION OF A QUORUM

Chairman Reardon called the meeting to order at 3:30 PM. There was a quorum present.

APPROVAL OF MINUTES – Quarterly Meeting, May 13, 2019

Member Jones moved to approve the minutes of May 13, 2019; 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, 2019

Mr. Wen presented the June 30, 2019 total fund investment performance report. He noted the total fund value as of 06/30/2019 was $31,528,872 and the value as of 3/31/2019 was $30,366,736. Noted is a fiscal year to date gain of 4.9% through 06/30/2019.

Mr. Wen presented a report on Polen Capital to the Board. He noted that the Board invested in the Polen mutual fund and also has an opportunity to invest in a separate investment vehicle called Collected Investment Trust (CIT) that has lower fees but requires a higher minimum investment. In order to invest in the CIT, the Board would need to revise its investment policy, section B.3 where the maximum investment in a company's common stock is 8% to a new maximum of 10%. Polen requested the higher percentage to give them more investment flexibility. Because the CIT is not a mutual fund, its investments must comply with the Board Investment Policy. Mr. Wen noted that Board Attorney Herrera reviewed the revision and noted that the statutory limit on a single common stock ownership over all of the investment managers cannot exceed 5%. Mr. Wen noted the new investment would not exceed the 5% limit. Discussion regarding the increase in percentage ensued.

Secretary Meeske moved to revise the investment policy, section B.3. to raise the maximum investment in a company's common stock from 8% to 10%; Member Taylor seconded the motion, which passed unanimously.

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Pedro Herrera, Plan Attorney – Tabled to November 18, 2019 meeting

Julie Enright, Plan Administrator

Mrs. Enright presented her report to the Board and noted:

A. PNC retiree death audit – no death reported by bank
B. Completed date of birth record update with PNC to provide an additional enhancement to participant death reporting
C. Division of Retirement Annual Police and Fire Pension Conference scheduled for October 29-31 in Orlando
D. Coordinating beneficiary change for retiree Gary Sedacca
E. Coordinated with Burgess Chambers and PNC a rebalancing to meet monthly expenses
F. Coordinated with Burgess Chambers and PNC to exchange all of PNC small cap fund to shares of Vanguard small cap index mutual fund
G. Distributed Foster & Foster Comparative Analysis schedule
H. Coordinated request for DROP calculation for member Michael Nelson pending for October 1
I. Forwarded to City mandatory posting documents (Compliance Statement, history of investment returns, Actuarial Valuation) – Board discussed the City's requirement for documents on the City website to be ADA compliant. Discussion ensued regarding cost, City conversion of documents and the Board meeting the legal requirement to provide the documents to the City. Plan Administrator noted that she is working to prepare the Agenda only for ADA and that the agenda backup would be provided to City for public upon request. Board tabled the discussion for the mandatory posting.
J. Next meeting scheduled for November 18, 2019 at 4:30 PM

NEW BUSINESS

1. Actuary Doug Lozen, Foster & Foster, review of Experience Study – **Tabled to November 18, 2019 meeting**
2. Discussion by Actuary to change COLA distributions to an annual effective date
   Mr. Lozen recommended the Board consider changing the COLA distributions from the birth date to an annual date. By changing to an annual date, ex. October 1st, this would simplify the administration of the COLA, and has no impact to the fund. An ordinance is required and once the date is established and adopted, the first year will be a transition year until everyone is on the established date.

   Secretary Meeske moved to instruct the Board Attorney to draft an ordinance to change the COLA distribution date to October 1st each year, and to work with the Board Actuary to work out the transition year; Member Taylor seconded the motion which passed unanimously.

   The draft ordinance will be sent to the City Attorney in advance of the next Board meeting, and presented to the Board at the November 18, 2019 meeting.

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3. Review of proposed draft Ordinance for compliance with Chapter 2019-21, Laws of Florida amending preretirement death and disability benefit and approval for Actuary to prepare Impact Statement

   Secretary Meeske moved to approve the draft Ordinance and for the Actuary to prepare the Impact Statement; Member Taylor seconded the motion which passed unanimously.

4. Consideration of administrative expense budget for submittal to the City and availability to Plan Members for Fiscal Year 2019/2020

   Plan Administrator reviewed the expenses and noted increases in certain areas of the budget for next year. Mrs. Enright requested that a 3% annual increase be included in the Plan Administrator contract similar to the Attorney's contract of 4% annually.

   Secretary Meeske moved to approve the FY 2019/2020 administrative expense budget; Member Taylor seconded the motion which passed unanimously.

OLD BUSINESS
Attorney review of language regarding computation of average final compensation – **Tabled to November 18, 2019**

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSIT
- **DISBURSEMENTS**

1. Sugarman & Susskind, Professional Services dated July 16, 2019 **$7,938.78**
2. PNC fees for custody, quarter end 6/30/19: FMI - **$1,044.91; SSI -$394.35;** Cash - **$0;** MCV - **$287.27;** Real Estate - **$81.49**; International - **$412.21;** SCC **$151.12**; Fixed income ETF - **$337.58;** Integrity **$726.42;** Polen Capital **$136.75** (total fees: $**3,395.49**)
   Fiduciary Management Inc. 6/30/19 quarterly fee **$14,066**
3. Burgess Chambers, Performance Monitor, quarterly fee - **$11,816.65**
4. SSI, quarterly fee, 6/30/19 quarterly fee - **$5,964**
5. American Realty Advisors – 6/30/19 quarterly fee -**$3,983.53**
6. Integrity Fixed Income Management – 6/30/19 quarterly fee - **$3,631.97**
7. Julie Enright, Professional Services - **$7,200** (quarterly administration fees paid for May, June, July); mileage reimbursement and copy charges **$82.99**
8. Distribution of annual COLA's for June, July, August to: G. Bastian, Breedlove, Thomas, Bastian, Sheridan, Tufano
9. Insurance premium deduction change for plan member sent to PNC

Secretary Meeske moved to approve the disbursements as listed; Member Jones seconded the motion which passed unanimously.

STAFF REPORTS, DISCUSSION, AND ACTION - None

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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 4:55 PM.

Respectfully Submitted:

Julie Enright

Julie Enright, Plan Administrator

Approved:

Jim Reardon

Jim Reardon, Chairman