CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, February 18, 2020, 4:30 PM

Members Present:	Jim Reardon, Chairman Marilyn Ford Vince Jones Joe Meeske, Secretary Chris Taylor
Members Absent:	None
Plan Administrator:	Julie Enright
Plan Attorney:	Pedro Herrera, via conference call
Consultant:	Frank Wen, Burgess Chambers, Performance Monitor (BCA), Doug Lozen, Foster & Foster
City Staff:	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, November 19, 2019

Secretary Meeske moved to approve the quarterly minutes of November 19, 2019; Member Taylor seconded the motion which passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wen, Burgess Chambers (BCA), Performance Monitor, quarterly report as of December 31, 2019
Mr. Wen presented the December 31, 2019 total fund investment performance report. He noted the total fund value as of 12/31/2019 was $33,738,185 and the value as of 9/30/2019 was $32,285,187 with a quarter to date return of 4.8%.

Mr. Wen discussed with the Board the performance of the new Polen Capital funds that the Board invested in recently and the long-term investment in Fiduciary Management Inc. (FMI) fund. Mr. Wen recommended in order to re-balance the overall investment funding that the Board add more funds to the Polen Capital fund because they have performed well and moving funds out of Fiduciary Management because they have underperformed.

Member Ford moved to move $1 million from FMI to Polen Capital as recommended by Burgess Chambers; Secretary Meeske seconded the motion which passed unanimously.

Pedro Herrera, Plan Attorney – Via Teleconference
Attorney Herrera discussed their report on the Federal Secure Act, the State Firefighter cancer bill, and the legislative update for proposed training requirement changes.

Julie Enright, Plan Administrator
Mrs. Enright presented her report to the Board and noted:

A. PNC retiree death audit – no deaths report by bank
B. Sent notification to Fire Plan members regarding expiring term of Joe Meeske. Member Meeske was unopposed for one-year term in accordance with the Ordinance
C. Coordinated with City Clerk's Office regarding expiring term of Jim Reardon. Pending Council reappointment for one-year term in accordance with the Ordinance

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D. Notified Human Resources (payroll) regarding DROP member Michael Nelson effective January 1, 2020 to stop pension contributions
E. Request for update of signature authority with PNC Bank
F. Next meeting scheduled for May 18, 2020

Noted is that Chris Taylor's term is expiring, this is a Board appointed position.
Secretary Meeske moved to re-appoint Chris Taylor to the Board; Member Jones seconded the motion which passed unanimously.

NEW BUSINESS

1. Acceptance of Actuarial Valuation presented by Actuary Doug Lozen, Foster & Foster
   Actuary Lozen presented the Actuarial Valuation Report, noting that the City slightly overfunded the plan and those funds were applied to the unfunded liability; the investment return assumed is 7.35%; included is funding for the cancer presumption statute; and the funded ratio is 65.6%. The actuary recommends consolidating the unfunded liability line items into one item.

   Secretary Meeske moved to delay acceptance of the actuarial valuation report to the special meeting; Member Ford seconded the motion which passed unanimously.

2. Declare expected rate of return for the next year, several years and long term based on the recommendation of investment professionals for submittal to the State and City

   Secretary Meeske moved to table the declaration of the expected rate of return to the special meeting; Member Ford seconded the motion which passed unanimously.

OLD BUSINESS

1. Continue discussion regarding computation of average final compensation (AFC) – Tabled to March 24th Special Meeting
   Actuary Lozen discussed the actuarial process with the Board, stating it was a two-fold process, after acceptance of the 2019 Valuation Report at this meeting, then at the May meeting he would present the AFC for a sample of members and the estimated funding impact going forward. Attorney Herrera advised that if a retiree is affected by a change in the AFC as a result of this discussion then their pension can be adjusted. Discussion ensued regarding the interpretation of the AFC computation for the 2013 pension ordinance revision. Consensus of the Board is to hold a Special Meeting on March 24, 2020 at 4:30 PM to review the member sample AFC calculations and the estimated funding impact going forward from the Actuary.

2. Previous plan attorney Scott Christiansen's letter regarding Board records from inception and Board determination for the records as to whether or not to be provided to the Plan Administrator or Records Management Liaison Officer

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Secretary Meeske moved to request the files at a cost not to exceed $100; Member Ford seconded which passed unanimously.

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSIT

DISBURSEMENTS

1. Sugarman & Susskind, Professional Services dated 12/16/19 **$4,516.81**
2. PNC fees for custody, quarter end 12/31/19: FMI - **$1,139.52**; SSI -**$426.06**; Cash - **$0**; MCV - **$304.05**; Real Estate - **$91.31**; International - **$433.52**; SCC **$161.05**; Fixed income ETF - **$346.11**; Integrity **$793.69**; Polen Capital **$147.76** (total fees: **$3,843.07**)
3. Fiduciary Management Inc. 12/31/19 quarterly fee **$13,766**
4. Burgess Chambers, Performance Monitor, 12/31/19 quarterly fee - **$12,645.34**
5. SSI, quarterly fee, 12/31/19 quarterly fee - **$6,381**
6. American Realty Advisors – 12/31/19 quarterly fee **-$4,077.42**
7. Integrity Fixed Income Management – 12/31/19 quarterly fee **$3,968.40**
8. Julie Enright, Professional Services - **$7200** (quarterly administration fees paid for November, December, January); mileage reimbursement and copy charges **$90.61**
9. Polen Capital Management quarter end 12/31/19 in the amount of **$2,279.59**
10. Travel expense for registration of Joe Meeske to FPPTA Winter School and CPPT Certification Program in the amount of $1650.00 dated 1/14/2020
11. Foster & Foster dated 2/10/20 in the amount of **$10,188**
12. Contribution refund to William Newborn in the amount of $21,971.78
13. Change for insurance deduction for Donald Breedlove and Larry Morrisey
14. Distribution of annual COLA'S for December, January, 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, Jennetten, Traster

Secretary Meeske moved to approve the disbursements as listed; motion seconded by Member Jones 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 6:10 PM.

Respectfully Submitted:

Julie Enright

Julie Enright, Plan Administrator

Approved:

Jim Reardon

Jim Reardon, Chairman