

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, August 24, 2020, 4:30 PM

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

This meeting was held via Zoom video conference due to the Covid-19 Coronavirus

CALL TO ORDER/DETERMINATION OF A QUORUM

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

APPROVAL OF MINUTES – Quarterly Meeting, May 18, 2020

Member Ford moved to approve the quarterly minutes of May 18, 2020; 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, 2020
Mr. Wen presented the June 30, 2020 total fund investment performance report. He noted the 06/30/20 quarterly fund return was up 14.3% with the FYTD fund return up 3%. The fund value as of 03/30/20 was \$28,881,004 and the 06/30/20 fund value is \$32,836,098. Value is struggling, real estate – retail is struggling but Publix is strong, bonds did well and fund may be underweighted there. At this time no changes to the investment strategy is recommended.

Pedro Herrera, Plan Attorney

Attorney Herrera presented the proposed ordinance for compliance with the Secure Act, noting the Act increases the minimum distribution required by the Internal Revenue Code and as a qualified plan language in the ordinance is required. Attorney Herrera recommends the Board table the ordinance until the next meeting and that the Firefighter Cancer ordinance requirement can be included in the Secure Act ordinance. Consensus of the Board to hold Ordinance language changes and incorporate with future changes. Also noted is that the required financial disclosure forms have been completed, the virtual meeting policy is complete, and there will be an invoice credit for the Cares Act attorney review. Attorney Herrera advised to do the Summary Plan description at a future meeting, either November or February. Consensus of the Board for Plan Administrator to provide draft changes for the Board and Attorney review. Secretary Meeske agreed to waive the Summary Plan Description until next year. Consensus of the Board is to suspend until next year.

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Julie Enright, Plan Administrator

- A. PNC retiree death audit – no deaths reported by bank
- B. Submitted letter to PNC per Board's approval 5/18/20 authorizing PNC to close custody account for the PNC small cap assets (that were sold) and open a separate account for the Vanguard Small Cap Index mutual fund
- C. Submitted the following documents to the City to be posted on the City's website: Section 112.64 Compliance Statement, History of investment returns, Actuarial Valuation
- D. Submitted the Declaration of Returns to the City, State, Actuary and Attorney
- E. Rebalance transfer of funds to the R&D account for payment of expenses and benefit payments 5/26/2020 and 6/26/20
- F. Requested copy of signed agreement from the City regarding the insurance supplement change in order to provide the Actuary and Attorney documents for implementation to be included in the members calculations - signed document receipt still pending
- G. Board acknowledgement of physician's annual confirmation of disability for Carol Calache
- H. Requested annual confirmation of continued disability from Jamie Wilds
- I. Forwarded documents for completion of withdrawal of funds for terminated members Erdmann and Mason
- J. Requested payroll data and forwarded to Actuary for DROP estimates on members Cowan and Ryan
- K. Requested Actuary to recalculate benefits for members to include the change of the interpretation of Average Final Compensation approved by the Board 5/26/20
- L. Next meeting scheduled for November 16, 2020

NEW BUSINESS

Consideration of administrative expense budget for submittal to the City and availability to Plan Members for Fiscal Year 2020/2021

Member Taylor moved for approval of the fiscal year 2020/2021 administrative budget and submittal to the City and availability to Plan Members; Secretary Meeske seconded the motion which passed unanimously.

OLD BUSINESS

Continue discussion regarding self-directed option for the DROP distributions

Investment Advisor Wen advised the Board of investment options:

- 1. Stable Value/Cash Management
- 2. Bond
- 3. Guaranteed lifetime income
- 4. Balance/Asset allocation – check with ICMA, will they allow only the four options

Or a fixed return alternative, for example the FRS rate is 1.3%; however, this option would need to be negotiated with the City.

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RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSIT

1. Sugarman & Susskind, Professional Services dated 6/11/20 **\$4,760.00**
2. PNC fees for custody, quarter end 6/30/20: FMI - **\$946.11**; SSI -**\$454.55**; Cash - **\$0**; MCV - **\$263.11**; Real Estate - **\$77.24**; International - **\$412.84**; Fixed income ETF - **\$350.29**; Integrity **\$852.79**; Polen Capital **\$296.42**; Small Cap **\$142.66** (total fees: **\$3,796.01**)
3. Fiduciary Management Inc. 6/30/20 quarterly fee **\$10,941.00**
4. Burgess Chambers, Performance Monitor, 6/30/20 quarterly fee - **\$12,321.97**
5. SSI, quarterly fee, 6/30/20 quarterly fee - **\$6,637.00**
6. American Realty Advisors – 6/30/20 quarterly fee -**\$4,066.91**
7. Integrity Fixed Income Management – 6/30/20 quarterly fee **\$4,178.71**
8. Julie Enright, Professional Services - **\$7416** (quarterly administration fees paid for May, June, July)
9. Polen Capital Management quarter end 6/30/20 in the amount of **\$4,557.90**.
10. Foster & Foster dated 8/10/20 in the amount of **\$4,188.00**
11. Distribution of annual COLA'S for June, July, August to: G. Bastian, Breedlove, Thomas, D. Bastian, Sheridan, Tufano

Secretary Meeske moved to ratify the disbursements; Member Taylor 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 6:05 PM.

Respectfully Submitted:

Approved:


Julie Enright, Plan Administrator


Jim Reardon, Chairman