**CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN**
**REGULAR MEETING MINUTES**
**April 22, 2019**

## ROLL CALL:

The meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chair Peter Ferreira at 2:03 p.m. on April 22, 2019 in the 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

## TRUSTEES PRESENT:

Chairman Peter Ferreira, Vice Chair Lynn Hadley, Kynah Cockcroft, Cynthia Rivera, Jake Johansson and Scott Stiltner

## ABSENT AND EXCUSED:

Scott Neils

## OTHERS PRESENT:

Pete Prior of Benefits USA, Inc.; Brent Chudachek, Fund Attorney; John Shelley, Retiree.

## APPROVAL OF MINUTES

**March 25, 2019 – Quarterly Meeting**

Chairman Peter Ferreira asked the Members if there were any corrections, additions, or deletions with the minutes of March 25, 2019.

Hearing and seeing none Member Johansson moved to approve the minutes as presented. Member Stiltner seconded the motion and the motion passed.

## PARTICIPANT/PUBLIC PARTICIPATION:

None at this time

## UNFINISHED BUSINESS:

**Discussion of Actuarial Assumption Rate**

Chairman Peter Ferreira reviewed the suggestion of changing the Assumption rate down to 6.75%. Member Johansson commented that in his opinion that the Pension Fund maybe a little too early to make the move lowering the Assumption rate down to 6.75% from 7%. It was noted that most of the Plans

in the State have already moved down some but at this point, Member Johansson said that he is fine with the current rate considering the market. Attorney Chudachek noted that the Board does not have to make any changes now and it is recognized in the State that this Plan has made adjustments in the past to move the assumed rate of return lower. After much discussion, Member Johansson moved to approve moving the rate to 6.75%. Member Stiltner seconded the motion and the motion fails.

**Discussion of Cost of Living**

The Board discussed this briefly that there is nothing that the Board can do at this time. Attorney Chudachek explained that the current ordinance is asking, every two years, to do an actuarial study, determining if there are enough gains in the Plan to give a COLA. The language in the ordinance states the before the COLA is granted it has to go before the City Council for approval pending that there is no impact to the Plan. It was noted that there will always be an impact to the Plan. It was noted that the Board should ask the City to review the ordinance for changes because as of current ordinance, there is no one can receive a COLA. Member Johansson noted that he would like to see something done on this matter as employees are the City's best asset. It was the consensus of the Board to let the City Council/City Manager work in this issue for the future.

**Custodial Service Fee RFQ**

Chairman Peter Ferreira reviewed the RFQ for custodial service. The Board had discussion regarding the fees of the other custodians. Attorney Chudachek noted that Salem Trust was recently purchased by TMI. After further discussion, Chairman Peter Ferreira moved to stay with the First State Trust Company. Member Johansson seconded the motion and the motion passed.

**FINANCIALS**

**March 2019 – Dave Leonard**

Chairman Peter Ferreira reviewed the financials with the Board. It was noted that the market value of the Fund is $34,492,972.19, an increase of $240,353.05. Receipts for the month totaled $2,001,102.30 versus total disbursements of $1,918,162.25. Payments to retirees and other participants totaled $225,874.37. The balance as of March 31, 2019, was $1,122,868.49 in the Cash account. Chairman Ferreira reported that the yield for the month is 1.09%.

**NEW BUSINESS:**

Rick Wilson – Early Retire Payment for Approval

Chairman Peter Ferreira reviewed the documents reflecting the retirement payment for Mr. Rick Wilson. The Chairman recognized this is another long-term employee that will be leaving the City with a lot of experience. Member Hadley moved to approve the retirement and the supplement for Mr. Wilson. Member Stiltner seconded the motion and the motion passed.

**CONSENT AGENDA:**

**For Approval:**

**Warrant #144**

| | |
|---|---|
| Benefits USA, Inc. (Admin Fees 4/2019; INV #POG114) | $ 2,500.00 |
| Rice Pugatch Robinson Storfer& Cohen PLLC (Ste 3) | $ 687.50 |
| Southeastern Advisory (Investment Consulting Services: INV #1901) | $ 5,083.00 |
| Integrity Fix Income Management (1st Qtr. 2019; INV #2372) | $ 4,425.78 |
| Highland Capital Management (2nd Qtr'19 Mgmt. Fees; INV #20484) | $ 7,922.28 |
| First State Trust (1st Qtr. 2019 Custodial Services) | $ 4,500.00 |

Hearing and seeing no changes, Member Rivera moved to approve Warrant #144. Member Stiltner seconded the motion and the motion passed.

**Distributions:**

Mandatory Plan

| | | |
|---|---|---|
| Jeffrey Jowers | Total Withdrawal | $26,252.26 |

The Members reviewed the paperwork for the above distribution that the paperwork is in order. Member Johansson moved to approve the distributions as noted above. Member Hadley seconded the motion and the motion passed.

**REPORTS:**

**ATTORNEY**

Attorney Chudachek addressed the Board and said it was nice to see everyone again. Attorney Chudachek stated that he reviewed the Amended Ordinance and Impact Statement closing the plan and was pleased to see it was corrected to reflect the proper closing date per the CBA.

Member Hadley asked about the need to revise the IPS. Chairman Peter Ferreira said that the IPS is reviewed by Fund Investment Advisor Jeff Swanson and updated as needed. It was noted that as the Plan adds or changes assets or allocation, Mr. Swanson attends the meeting with an updated IPS for the members to review. Member Hadley also asked about the SPD (Summary Plan Description). Mr. Prior asked the Board if the they want the Board attorney or Benefits USA to revise the SPD. Mr. Prior noted that the SPD is very confusing containing items that it really does not need. The Board asked Mr. Prior to send out a copy of the SPD to the Members. Mr. Prior said he would do so and that he can simplify SPD. Chairman Peter Ferreira decided that to list this item in the next meeting agenda and let the Board members read it first then discuss it at the next meeting.

**Comments from Committee Member:**

Member Johansson reported that the City is still looking to combine three Pension Plans: GE, Police and Fire. Member Johansson noted that a member of Council questioned why there are three administrators for the City Pension Plans. Member Stiltner commented that the problem is the employees still go to HR instead of calling the administrator which is what they should do.

The purpose is saving costs since all the expenses are paid by City's contributions.

Chairman Peter Ferreira asked how does the administrator post the Meeting Agenda and the notices of the meeting? Mr. Prior said the Agenda and the Meeting Packets are posted on the City's website. Mr. Prior noted that the meeting dates are posted on the city website a year in advance if the retirees want to determine when the Board meets. After further discussion, the Board asked Benefits USA research what is the most effective way to notify the Pension meetings to Retirees. Mr. Prior said will do so.

**NEXT MEETING DATE:**
May 20, 2019 @ 2:00 p.m. – Regular Meeting

**ADJOURNMENT:**
The meeting adjourned at 2:32 p.m.

Chairperson

5/20/19
Date