CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN
REGULAR MEETING MINUTES
August 27, 2018

ROLL CALL:

The meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairperson Linda Johnson at 2:02 p.m. on August 27, 2018 in the City Council Chambers, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:

Chairperson Linda Johnson, Lynn Hadley, Kynah Cockcroft, Tracy Riehm and Jake Johansson

ABSENT AND EXCUSED:

Peter Ferreira and Scott Stiltner

OTHERS PRESENT:

Pete Prior of Benefits USA, Inc.; James Robinson of First State Trust Company and Heather Carrizales of Human Resources

APPROVAL OF MINUTES

July 23, 2018 – 2018 Employee Pension Fund Annual Conference

Chairperson Linda Johnson asked the Members if anyone has an issue with the minutes regarding the 2018 Employee Pension Fund Annual Conference, any corrections, additions, or deletions. Member Johansson moved to approve the minutes as presented. Member Hadley seconded the motion and the motion passed.

July 23, 2018 – Quarterly Meeting

Chairperson Linda Johnson asked the Members if anyone has an issue with the minutes of July 23, 2018 Quarterly Meeting, any corrections, additions, or deletions. Member Hadley said she has a disagreement about the last page under the Trustee's report: "Ms. Lynn Hadley said that she didn't remember if the Pension Board voted to close the Pension Fund to New Employees." Member Hadley suggested correcting it to: Ms. Lynn Hadley asked if the Board is supposed to vote as trustees of the Pension Fund on whether or not to close the fund, since we are held responsible for what happens to the Pension Fund." Member Johansson moved to approve the minutes as amended. Member Hadley seconded the motion and the motion passed.

PARTICIPANT/PUBLIC PARTICIPATION:

Active Member Andrew Baldwin attended the Meeting asked Administrator Pete Prior what is the difference in retiring in 20 years vs. 25 years? Mr. Prior said that the extra 5 years working will add more pension contributions, getting older will raise his Pension Benefits amount compared working 20 years. Ms. Heather Carrizales of Human Resources suggested that Members' Annual statements will give an idea about their Pension amount. Members also can have an estimate calculation from Fund Actuary to help the Members determine when they should retire. Once Members select their retirement date, the Fund Actuary will use this date to prepare the Retirement Benefits Calculation, but each Plan Member has only one free retirement benefit calculation. If a member changes their mind after the free calculation, they will incur the cost for future calculations. Mr. Baldwin appreciated the help.

UNFINISHED BUSINESS:

Matrix for the Vendors' Performance Review

- Service Provider Evaluation

Chairperson Linda Johnson noted that the Vendor's Service Provider Evaluation Form was updated by Benefits USA and is in the packets for the Board to review. Mr. Prior noted that this is the final version. Chairperson Johnson noted we can go through the contracts and review along with the Matrix. The Board by consensus agreed that the first vendor they will review is First State Trust since their Contract will expire on 9-28-2018. Chairperson Johnson directed Administrator Pete Prior to add this issue on the next meeting agenda.

FINANCIALS:

First State Trust- James Robinson

James Robinson of First State Trust Company introduced himself and provided a brief history of his company to the Board. Mr. Robinson went over some issues that happened in the past and how they have been corrected and stated that he is confident that there will be no more issues going forward. Chairperson Linda Johnson noted that some of Plan participants asked about the Web access to the Pension Payment system. Mr. Robinson answered that the Northern Trust Web access is available to the all Retirees of the Plan. Chairperson Johnson asked what is the relationship between Northern Trust and First State Trust Company? Mr. Robinson answered that Northern Trust is their payment vendor. Member Hadley asked the cost for this Web access service, Mr. Robinson said that the Web service is free which is included in their contract. Mr. Robinson distributed copies of the explanation for Web access process to all Board Members to read. Mr. Robinson gave the Request for Activation Form to Chairperson Johnson to sign if the Board would like to go with this program. Chairperson Johnson asked Mr. Prior to contact the Administrator of Police Pension or the First State to see how many retirees use this service.

Mr. Robinson commented to the Board that the return address listed on the monthly advices of credit mailed to Retirees regarding their monthly benefits payment is currently that of First Trust. Mr. Robinson said that they have 75 Pension Funds and they always put the Fund's Administrators' mailing address as the return mailing address. Mr. Robinson stated they do this because they only have 25 employees and they cannot take retiree phone calls. Mr. Robinson said they were notified to change Administration's address to their own address because is had the previous Chairperson's name plus the mailing address of Benefits USA. Perhaps the Web access service will solve this problem. Member Tracy Riehm and Jake Johansson did agree that the Pension Administrator's address should be listed on the envelopes.

Benefits USA has no problem helping the retirees change their address, deposit account and W4P form which we are currently doing. After further discussions, the Board decided to change the return address to Benefits USA's name and their address. Chairperson Johnson asked whether we need a motion to do that. Mr. Prior said that direction from the Board is sufficient.

August 2018 – Dave Leonard

Chairperson Linda Johnson noted that this is only for information purposes. Chairperson Johnson reviewed the financials with the Board. It was noted that the market value of the Fund is $35,432,910.02, an increase of $699,638.33. Receipts for the month totaled $577,917.81 versus total disbursements of $433,849.00. Payments to retirees and other participants totaled $259,571.87. The balance as of August 31, 2018, was $798,998.76 in the Cash account. Mr. Leonard reported that the yield for the month is 2.54%.

NEW BUSINESS:

Discussion of Code Section 54-150 (e) Ad-hoc Cost-of-Living Increase

Chairperson Linda Johnson noted at the previous Conference some of the Retirees asked about the Cost-of- Living Allowance (COLA) for their Pension, and asked the Administrator to enclose the Ordinance Code Section 54-150(e) in this meeting packet for the Board to discuss the possibility of a COLA for General Pension Fund members. Member Johansson said that Police Pension also is processing their COLA and asked Mr. Prior to contact the Administrator of Police Pension Plan to get a synopsis of any COLA the Police Pension Plan may have initiated and the process used. Mr. Prior said that he will do so.

Member Tracy Riehm said that she would like Actuary to do an Actuarial Study determining the cost of the COLA to the Fund. Mr. Prior commented that several scenarios should be looked at regarding the direction the GE Pension Fund will be taking. The ordinance states up to 3% so Mr. Prior said that Pension Fund Actuary should prepare a cost for each level, that is, from 1% to 3%, if it is affordable on market value or actuarial value taking into consideration the smoothing the Plan has adopted. Chairperson Linda Johnson directed that Mr. Prior contact Fund Actuary to do COLA Study for the General Pension Fund. Member Tracy Riehm suggested that the Fund Actuary could prepare the study in conjunction with the 10/1/18 annual valuation report. Mr. Prior said that he will contact the Fund Actuary to do the COLA.

RFP for POG Legal Services

Chairperson Linda Johnson said that the Fund Attorney James Loper is going to retire at end of 2018, so the Pension Fund must hire a new Attorney. Chairperson Johnson asked whether the Members finished reading all the responses for the Legal Service RFP. Many of the Members said that they would like to review the packets further. Member Cockcroft said that she didn't receive the whole RFP packets. Mr. Prior said he will send the packet to her again by email. After further discussion, Member Hadley said she would like to review the packets further and moved to table RFP for Legal Service, Member Johnson seconded the motion and the motion passed.

CONSENT AGENDA:

For Approval: Warrant #138

Benefits USA, Inc. (Admin Fees 8/2018; INV #POG108)	$2,500.00
The Boston Company (4Qtr. 17 and 1&2Qtr. 2018 Mgmt. Fees; INV #95618)	$29,049.68

Chairperson Linda Johnson said that she noticed The Boston Company had a large Invoice for three quarters. She is wondering why they are missing two quarters. Mr. Prior said he will contact them and determine what the issue is and why the delay.

Member Hadley said that she remembered this happened before with a different vendor. Member Riehm said that was First State, not Boston Company. Member Riehm said that she wants to see the past two quarters' invoice to make sure the amount is right. Member Riehm suggested that Benefits USA set up an Internal Control to follow up all the vendors' invoices and make sure their invoice amount is right. Mr. Prior said that he will do so. Member Riehm moved to table The Boston Company's invoice, Member Johnson seconded the motion and the motion passed.

Hearing and seeing no changes, Member Hadley moved to approve Benefits USA's invoice under Warrant #138. Member Johnson seconded the motion and the motion passed.

DISTRIBUTIONS

For Approval:

Mandatory Plan

Dennis Gaines	Total Withdrawal	$25,102.71

Hearing and seeing no changes, Member Johnson moved to approve lump sum Distribution. Member Hadley seconded the motion and the motion passed.

Brock Thomas	Total Withdrawal	$28,561.10

Hearing and seeing no changes, Member Johnson moved to approve lump sum Distribution. Member Hadley seconded the motion and the motion passed.

Voluntary Plan

Deborah Culpepper	Total Withdrawal	$3,409.38

Hearing and seeing no changes, Member Johnson moved to approve lump sum Distribution. Member Hadley seconded the motion and the motion passed.

REPORTS:

Comments from Committee Member:

Member Jake Johansson updated the status about the Ordinance change to close the Plan to any new employees. It was noted that the Actuary's Impact Statement is not complete yet and this has to come before the City Council and it has not as yet.

NEXT MEETING DATE:

September 24, 2018@2:00 p.m. – Quarterly Meeting

ADJOURNMENT:

The meeting adjourned at 3:18 p.m.

Chairperson

9/24/18

Date