CITY OF PORT ORANGE GENERAL EMPLOYEES' RETIREMENT PLAN
QUARTERLY MEETING MINUTES
October 28, 2019

ROLL CALL:

The meeting of the City of Port Orange General Employees' Retirement Plan was called to order by Chairman Peter Ferreira at 2:00 p.m. on October 28, 2019 in the 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:

Chairman Peter Ferreira, Scott Stiltner, Kynah Cockcroft, Jake Johansson and Scott Neils

ABSENT AND EXCUSED:

Cynthia Rivera

OTHERS PRESENT:

Pete Prior of Benefits USA, Inc.; Brent Chudachek, Fund Attorney and Dave Leonard, Fund Actuary

APPROVAL OF MINUTES

September 23, 2019 – Quarterly Meeting

Chairman Peter Ferreira asked the Members if they have any corrections, additions, or deletions to the minutes. Member Johansson moved to approve the minutes as amended. Member Stiltner seconded the motion and the motion passed.

It was noted that the Actuary Mr. Leonard would like to be taken out of order as he has another commitment. Chairman Peter Ferreira moved to move the Financial report out of order. Motion was seconded by Member Johansson and the motion passed.

FINANCIAL

September 2019 – Dave Leonard

Actuary Dave Leonard reviewed the financials with the Board. It was noted that the market value of the Fund is $35,023,054.70, a decrease of $298,496.99. Receipts for the month totaled $1,467,763.96 versus total disbursements of $1,753,302.17. Payments to retirees and other participants totaled $238,537.92. The balance as of September 30, 2019, was $618,482.20 in the Cash account. Actuary Dave Leonard reported that the yield for the month was 0.71%, yield for the year was 3.19%.

Actuary Leonard noted that the current assumed discount rate of 7% might need to be addressed with a goal of reducing it to 6.75%, or perhaps less. This was supported by Jeff Swanson's implication that the negative cash flow situation will require a shift towards more liquidity and less risk, changes that will further reduce the anticipated rate that can be supported for financial disclosure purposes. After further discussion, Actuary Leonard recommended that he will prepare a study concurrently with the October 1, 2019 annual valuation report on the expected contribution increases that will be produced by the reduction of the discount rate, with suggestions for potentially again phasing in such a reduction over a period of years. Chairman Peter Ferreira said that the Board also will discuss this issue with Plans' Consultant, Mr. Swanson, at the December Quarterly meeting.

PARTICIPANT/PUBLIC PARTICIPATION:

Chairman Ferreira recognized Mr. Shelley to make a comment. Retiree John Shelley said that he went on the City website and could not find today's Meeting Packets which is normally posted on the City's Website. Member Johansson noted that perhaps the City Clerk did not post it because of the ADA compliance issue. Fund Attorney Mr. Chudachek said that he is aware that the GE Pension Board posted the entire Agenda Packet, which is not required by Florida law. Mr. Prior said that Benefits USA has notified all the vendors to remove all graphical data from their reports to be OCR compliant. It is the intent of the Board to be in compliance with the ADA regarding posting of the required documents.

UNFINISHED BUSINESS:

Service Provider Evaluation for Benefits USA

New Agreement Letter for Administration Service – Benefits USA

Chairman Peter Ferreira opened the discussion for the evaluation for Benefits USA. Member Scott Neils asked whether the Fund attorney reviewed Benefits USA's new contract. Mr. Chudachek said that he did review and suggested adding an additional paragraph placed in the contract that is required per Fla. Stat. 119.0701(2)(a), for new contracts entered into after July 1, 2016. Mr. Prior said that he received Mr. Chudachek' recommendation and discussed this with him, but the packets had been sent out. Mr. Prior said he will add the clause after today's meeting. After further discussion, Member Johansson moved to approve the New Agreement Letter for Benefits USA as amended. Member Stiltner seconded the motion and the motion passed.

NEW BUSINESS:

Harold Michaels – Normal Retirement Payment for Approval

Chairman Peter Ferreira reviewed the documents reflecting the Normal Retirement payment for Mr. Harold Michaels. Member Johansson moved to approve the Normal Retirement payment for Mr. Harold Michaels. Member Stiltner seconded the motion and the motion passed.

Carl Sites – Early Retirement Payment for Approval
Chairman Peter Ferreira reviewed the documents reflecting the Early Retirement payment for Mr. Carl Sites. Member Johansson moved to approve the Early Retirement payment for Mr. Carl Sites. Member Stiltner seconded the motion and the motion passed.

Member Johansson asked whether the W-4P should include in meeting packets for Board Members to review. Mr. Prior answered that the W-4P is Members' personal Tax document and we only send it to Bank for Members' Tax withholding.

CONSENT AGENDA:
For Approval:
Warrant #151

Benefits USA, Inc. (Admin Fees 10/2019; INV #POG120)	$ 2,500.00
Rice Pugatch Robinson Storfer& Cohen PLLC (Ste 9)	$ 935.00
Southeastern Advisory (Investment Consulting Services: INV #1903)	$ 5,083.00
Integrity Fix Income Management (3rd Qtr. 2019; INV #2439)	$ 4,481.91
Highland Capital Management (4th Qtr'19 Mgmt. Fees; INV #21917)	$ 7,503.91
First State Trust (3rd Qtr. 2019 Custodial Services)	$ 4,500.00
David G. Leonard A.S.A. (Actuarial Services: INV #19-055)	$ 2,775.00
Cynthia Rivera (Reimb. For FPPTA Trustee School Travel Expense)	$ 797.69

Hearing and seeing no changes, Member Johansson moved to approval Warrant #151. Member Stiltner seconded the motion and the motion passed.

REPORTS:
Comments from Board Attorney:
Attorney Brent Chudachek thanked the Board for their selection of his firm as Board Counsel and it has been almost one year already. Today's meeting was his fourth time attending the meeting in person. Chairman Peter Ferreira said that the Board was pleased by the Attorney's service as well.

Comments from Member
Member Johansson asked did Mr. Prior know how to add the BOOKMARK to PDF meeting Packet? Mr. Prior said that he tried but was unsuccessful at this point. Member Johansson said that the City Clerk office knew how to do it and suggested Benefits USA call them for assistance. Mr. Prior said that he will do so.

Comments from Administrator
Administrator Pete Prior reported that the upcoming FPPTA Winter Trustee School will be January 26-29, 2020 in Orlando. Those that wish to attend please advise Benefits USA as soon as possible to register with the FPPTA and hotel arrangements.

NEXT MEETING DATE:
December 16, 2019@ 2:00 p.m. – Regular Meeting

DRAFT of 2020 Meeting Schedule
Chairman Peter Ferreira said that Board will approve the 2020 Meeting Schedule at the December Meeting.

ADJOURNMENT:
The meeting adjourned at 2:45 p.m.

Chairperson

12/16/19
Date