CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN
QUARTERLY MEETING MINUTES
January 23, 2017

ROLLCALL:

The meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairperson Johnson at 2:00 p.m. on January 23, 2017 in 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:

Linda Johnson, Lori Young, Scott Stiltner, Peter Ferreira, Tracey S. Riehm, Michael H. (Jake) Johansson, Lynn Hadley

ABSENT AND EXCUSED:

OTHERS PRESENT:

Pete Prior of Benefits USA, Inc; Dusty Buck, Actuary

PARTICIPANT/PUBLIC PARTICIPATION:

None at this time

APPROVAL OF MINUTES

December 12, 2016 – Quarterly Meeting

Chairperson Johnson asked the Members if there are any issues with the minutes, corrections, additions, or deletions. Hearing and seeing no changes to the minutes Chairperson Johnson said she would entertain a motion. Member Stiltner moved to approve the minutes of December 12, 2016 meeting as written. Member Johansson seconded the motion and the motion passed.

UNFINISHED BUSINESS

Audit Concerns:

Chairperson Linda Johnson asked Administrator Pete Prior about the status for General Employee Retirement System Policy Manual. Mr. Prior said he did some research regarding Board Policies and put a DRAFT together for the Members to review. Mr. Prior said he sent the DRAFT of the Policy to Auditor Zach Chalifour on January 13, 2017 and Mr. Chalifour approved that is what he was looking for. Chairperson Johnson said that her only concern was this policy should include the code number of the Pension Plan ordinance. Chairperson Johnson said she would like to have some language in the beginning of the Policy reflecting that the Plan is governed by the City Code under Chapter 54, Personnel, Article III General Employees Retirement System. Mr. Prior said he would do so.

Member Riehm asked Mr. Prior whether all vendors' duties were listed in the Policy, Mr. Prior answered there were no duties listed in each of the vendors' Contracts or Agreements. For some vendors, there is a letter. After much discussion, Member Johansson suggested to add a few sentences indicating the following for example: In any event where the Policy deviates from the Vendor contract the Vendor contract or Agreement shall prevail as it pertains to the performance and duties to the Plan. This should be placed in the beginning of the Policy. Mr. Prior said he would do so.

Member Riehm made a motion to table the General Policy Manual to the next Board Meeting, Member Johansson seconded the motion and the motion passed.

FINANCIALS:

December 2016 – Dusty Buck

Actuary Dusty Buck reviewed the financials with the Board. It was noted that the market value of the Fund is $30,737,919.72, an increase of $206,125.77. Receipts for the month totaled $1,936,498.62 versus total disbursements of $1,946,802.88. Payments to retirees and other participants totaled $185,709.09. The balance as of December 31, 2016, was $723,418.01 in the Cash account. Ms. Buck reported that the yield for the month is 0.92%.

Chairperson Johnson moved to accept the December report as provided. Member Young seconded the motion and the motion passed.

Member Riehm said this would be a good time to bring the Assumed Interest Rate discussion back to the Board. Member Riehm shared the Interest Rate of FRS and other Public Pension Funds with the Board. Member Riehm noted that if the Interest Rate was lowered to 7.35% the City's Contribution will increase to 17.4%, decrease the Interest Rate to 7.25%, the City's Contribution will increase to 18.3% and finally decreasing the Interest Rate to 7.0%, the City's Contribution will increase to 20.7%. The Plan's Funding Ratio also will go down from the current 81.9% to 77.7%.

The Board discussed the issue of lowering the Assumed Rate of Return in detail. Chairperson Johnson asked if the Plan makes the change will it have an impact on the employee; what do they get out of it. Mr. Prior answered there is no impact to employees. It was noted that the assumption is lower with the theory that the Fund is not making higher returns and therefore the City would increase its contributions to the Plan. Following discussion, Member Johansson moved to reduce the Assumed Rate of Return from 7.5% this year to 7% in 3 years (2018 reduce 0.167%, going to 7.333%; 2019 reduce 0.167%, going to 7.166% and 2020 reduce 0.166%, going to 7.0%. Actuary Dusty Buck verifying the numbers). Member Ferreira seconded the motion and the motion passed.

NEW BUSINESS:

New Trustee Election Result

Chairperson Johnson commented on the election results with Board. Administrator Pete Prior reported since only two nominations were received, Linda Johnson and Peter Ferreira won the election by acclamation

Member Hadley moved to ratify the results of the election. Member Young seconded the motion and the motion passed.

Payment for Deceased Member Recardo Wilker for Approval

Chairperson Johnson reviewed the paperwork for Mr. Wilker with the Board. After discussion Member Riehm moved to approve the payment for Mr. Recardo Wilker. Member Johansson seconded the motion and the motion passed.

Thomas Troutman Out of Drop on 1-27-2017

Chairperson Johnson noted that Mr. Thomas Troutman will out of the DROP on 1-27-2017. His monthly pension payment amount will be the same as his DROP payment.

Member Young moved for approval for Mr. Thomas Troutman getting out of the DROP. Member Hadley seconded the motion and the motion passed.

CONSENT AGENDA:

For Approval:

Warrant#120

Benefits USA, Inc. (Admin Fees 01/2017; INV #POG092)	$ 2,500.00
Integrity Fix Income Management (4th Qtr'16 Mgmt. Fees; INV #2087)	$ 4,330.87
Southeastern Advisory (Investment Consulting Services: INV #1604)	$ 4,784.00
James Moore (2016 Audit INV #553588)	$ 7,000.00
FPPTA (Regis. Fee for Lynn Hadley)	$ 500.00

Member Stiltner moved to approve Warrant #120. Member Johansson seconded the motion and the motion passed.

REPORTS:

Comments from Committee Members

Member Riehm commented that in the past the Board reviewed the vendor's performance and would like to know where we are with the process and which vendor would be next for review. Mr. Prior said he did not have the list available with him at this time. Chairperson Johnson asked Mr. Prior to put the vendor review list on the next agenda. Mr. Prior said would do so.

Member Johansson said that he contacted Heather Carrizales of Human Resources to talk out the old files. Member Johansson said he is working with Heather Carrizales and would like to see all the files in one place. Mr. Prior noted that when his firm was retained, the previous board decided to leave whatever files they have in the City stay with the City for now. Mr. Johansson said he would like to try to give all files to Administration office, as there are a lot of files. Mr. Prior said that he has a big truck and he can bring all the files back to his office when those old files are ready to be picked up.

Member Riehm noted that there is still one other issue in the audit regarding the financials. It was noted that a quote from some qualified CPA firms in the area should be acquired for review to do the financial reports for the Pension Plan and possibly for all three City Pension Funds. Member Johansson said that he prefers an outside, third party CPA firm to do these reports. Member Riehm said she will do so and bring the quotes to the following meeting.

Administrator:
Mr. Prior reported that FPPTA Trustee School is scheduled for January 29 – February 1, 2017 at the Orlando, Florida.

NEXT MEETING DATE:
February 27, 2017 – Regular Meeting

ADJOURNMENT:
The meeting adjourned at 3:01p.m.

Chairperson

2/27/17
Date