AGENDA

General Employee Retirement Committee Quarterly Meeting
City of Port Orange – City Hall
1000 City Center Circle, 2nd Floor Training Room
Monday, July 25, 2016 @ 2:00 p.m.

I. Call to Order:

Chair Kent Donahue	Lynn Hadley	Lori Young
Council Member Scott Stiltner	Peter Ferreira	Linda Johnson
Tracey S. Riehm		

II. Approval of Minutes:

a. March 28, 2016 – Quarterly Meeting
b. April 25, 2016 – Regular Meeting
c. May 23, 2016 – Regular Meeting

III. Participant/Public Participation

IV. Unfinished Business:

a. Legal Suggestions for Voluntary Employee Contribution Fund

V. Financials:

a. June 2016 – Dave Leonard
b. Highland Capital – Grant McMurray
c. Southeastern Advisory – Jeff Swanson

VI. New Business:

a. State Letter for Fund Actuary Valuation
b. Allison Antenberg – Beneficiary of Deceased Retiree Margaret Sneddon Payment for Approval
c. DROP Application and Payment for Thomas Troutman
d. Probate Procedures

VII. Consent Agenda:

For Approval:

Warrant#115

Benefits USA, Inc. (Admin Fees 6-7/2016; INV #POG087)	$ 5,000.00
Integrity Fix Income Management (2nd Qtr '16 Mgmt Fees; INV #2024)	$ 3,801.57
Southeastern Advisory (Investment Consulting Services: INV #1602)	$ 4,784.00
Highland Capital Management (3rd Qtr '16 Mgmt Fees; INV #12815)	$ 8,736.27
David G. Leonard, A.S.A. (Actuarial Services: INV #16-027)	$ 4,650.00
James Loper (STMT #37 dated 04/01/16)	$ 799.50

VIII. Distributions:

<u>Mandatory Plan</u>

Chase Routte	Total Withdrawal	$ 4,161.80

IX. Reports:

a. Attorney
b. Comments from Committee Members
c. Administrator
d. Correspondence

X. Next Meeting Date:

a. August 22, 2016 – Regular Meeting

XI. Adjournment:

Any person who desires to appeal any decision made by the General Employee Retirement Committee will need a record of the proceedings, and for such purpose he or she may need to ensure at his or her own expense for the taking and preparation of a verbatim record of all testimony and evidence of the proceedings upon which the appeal is based.

<u>NOTE:</u> If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the City Clerk for the City of Port Orange, 1000 City Center Circle, Port Orange, Florida 32129, Telephone Number (386) 506-5563, within (2) two working days of your receipt of this notice or (5) five days prior to the meeting date; If you are hearing or voice impaired, contact the relay operator at 1-800-955-8771.

ATTENTION ALL:

Please use this schedule as your guide for the 2016 Board Meetings

2016 CITY OF PORT ORANGE GENERAL PENSION BOARD MEETING DATES

Monday January 25th, 2016 - Regular Meeting@2:00pm

Monday February 22nd, 2016 – Regular Meeting@2:00pm Council Chambers

Monday March 28th, 2016 - Quarterly Meeting@2:00pm

Monday April 25th, 2016 - Regular Meeting@2:00pm

Monday May 23rd, 2016 – Regular Meeting @2:00pm

Monday July 25th, 2016 - Quarterly Meeting@2:00pm

Monday July 25th, 2016 - 2016 Employee Pension Fund Conference@10:00am

Monday August 22nd, 2016 – Regular Meeting@2:00pm Council Chambers ✓

Monday September 19th, 2016 - Quarterly Meeting@2:00pm

Monday October 24th, 2016 - Regular Meeting@2:00pm

Monday December 12nd, 2016 - Quarterly Meeting@2:00pm

Mei Fang

From: Fenwick, Robin [rfenwick@port-orange.org]
Sent: Thursday, July 21, 2016 3:39 PM
To: 'Mei Fang'
Cc: Donahue, Kent; pete@benefits-usa.org
Subject: RE: Port Orange 7-25-2016 Pension Fund Board Meeting

It's been posted in City Hall and to the City's website: https://www.port-orange.org/documents/meetings/generalpension/2016-07-25/agenda.htm

Thank you,

Robin

ROBIN L. FENWICK, CMC
City Clerk
City of Port Orange
City Clerk's Office
1000 City Center Circle
Port Orange, FL 32129
TEL: 386-506-5563
FAX: 386-756-5290
EMAIL: rfenwick@port-orange.org
WEBSITE: www.port-orange.org

From: Mei Fang [mailto:Mei@benefits-usa.org]
Sent: Wednesday, July 20, 2016 5:38 PM
To: Fenwick, Robin <rfenwick@port-orange.org>
Cc: Donahue, Kent <kdonahue@port-orange.org>; pete@benefits-usa.org
Subject: Port Orange 7-25-2016 Pension Fund Board Meeting
Importance: High

Dear Robin:

Attached please find the Agenda for 7-25-2016 Pension Fund Board Meeting with back-up, please help us post the Agenda as soon as possible, thank you for your help.

March 28, 2016 – Quarterly Meeting

Minutes

CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN
QUARTERLY MEETING MINUTES
March 28, 2016

ROLLCALL:
The quarterly meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairperson Donahue at 2:00 p.m. on March 28, 2016 in 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:
Chairperson Kent Donahue, Vice Chairperson Sonya Laney, Council Member Scott Stiltner, Peter Ferreira, Tracey S. Riehm, and Linda Johnson

ABSENT AND EXCUSED:
Donnie Franklin

OTHERS PRESENT:
Pete Prior of Benefits USA, Inc., Dave Leonard, Actuary, Grant McMurray of Highland Capital, Jeff Swanson of Southeastern Advisors, and Retiree John Shelley

PARTICIPANT/PUBLIC PARTICIPATION:
Mr. John A Shelley - Retired Past Chairperson of the General Employees Defined Benefit Plan (GEDBP) spoke about the proposed annual administration fee of 1% that will be charged the Retired or Resigned participants of the Voluntary Employee Contribution Fund. Mr. Shelley provided some history about this Fund saying that these retirement assets were on par with all other retirement assets as managed by this Committee. These funds were originally deposited by employees as a withholding from earned wages, with the intent of enhancing retirement years by saving more during employee careers with the City. There was never any indication to employees that these funds would be isolated differently or placed in second tier and/or treated differently in the future.

In summary, all fees and expenses of the Plan are offset by total investment earnings of the assets. Plan Assets include both Defined Benefit Plan and Voluntary Account Assets. These earnings, net of expenses are allocated to the respective Member Retirement Accounts as net investment earnings on an annual basis or more frequently, if the retiree is taking interim distributions. The new proposed fee would be an additional fee on the Voluntary Accounts that would reallocate investment income from them into the defined benefit component of the Plan. Looking at it another way, the Voluntary Accounts would pay for administrative fees initially through allocation of net investment earnings and pay once again through this proposed fee.

For example: one Retiree has a voluntary account of approximately $154,000 saved throughout his career, including net investment earnings. He would pay an annual administration fee of 1% or $1,540.00. As defined, this would pay for "Expense of calculating the balance of the account at year end and for the processing of requested distributions". Again these costs have already been paid by the allocation of net investment earnings but the new proposed 1% fee would be in excess of this amount. For example; someone's account balance is about $62,000 and this person would pay 1% or about $620. Why should they pay less than other retirees or maybe a better question is: Why should we pay twice?

Mr. Shelley agreed that if an expense caused by Voluntary Employee Retirement Assets is proportionately larger, the accounts should bear the cost, allocated equally to all of the same type accounts, but Mr. Shelley has yet to hear that this is the case.

Member Johnson reported that some active Members came to her complaining about the 1% fee and how it will apply to active Members. Member Laney noted that her comments were directed to the Members that left employment with a remaining balance in the Voluntary Account, Member Laney never pushed to apply the fee to Active employees. Member Riehm also commented that it was her belief that the fee was for retired or terminated members and not for currently employed Members. Chairperson Donahue asked how many members are still in Voluntary Account. Mr. Leonard answered that there are about 30-35 Members in the Voluntary Account; around 25 active employees. Mr. Leonard noted the balances are net of fees with an estimated cost of $2,000 for administrative fees. Chairperson Donahue directed moving this item for next agenda for more discussion.

APPROVAL OF MINUTES

February 22, 2016 – **Regular Meeting**

Chairperson Donahue asked the Members if they have any issues with the minutes, corrections, additions, or deletions. Member Laney moved to approve the minutes of February 22, 2016 Regular Meeting with the corrections as indicated and presented by the Chair. Member Stiltner seconded the motion and the motion passed.

UNFINISHED BUSINESS

October 1, 2015 Final Valuation Report – Dave Leonard

Mr. Leonard addressed the Board regarding the Final Valuation noting the changes were made as of last month which did not change the outcome of the valuation. Mr. Leonard provided the Chairman a hard copy of the valuation. The final report and disclosures varies only a little from the draft reports/disclosures. The main differences are: Recognition of the decision to base the recommended contribution on the prior year's valuation, as is common practice; addition of graphs in the form of the presentation from the City Council meeting, as an additional appendix; enhanced tracking of participant movements, as suggested by the independent actuarial review. Mr. Leonard noted that the contributions from employees have continued to decline due to fewer employees. Employee's currently contribute 7.5% of their salary.

The performance of the Fund shows the valuation of the Fund is smooth, validating the reason why the Board decided to establish a smoothing technique for the Fund. Mr. Leonard noted that his presentation to the City Council was favorably received versus the other employee Plans. Mr. Leonard reported that the rate of return for the Plan is 7.5%. The 2014-15 trust asset return was just 2.2%, the valuation yield for the year was about 6.5%. Salaries did increase slightly more than our 4% assumption, and there were some high profile early retirees at subsidized rates. As of December 31, 2015, the Plan's Assets was $27,330,202, Plan's liabilities were $33, 383, 933, the Plan's Funding Ratio was 81.9% vs. 2014 Fiscal year 86.6%.

Mr. Leonard gave a brief description of the Florida Retirement System reporting that FRS earned 7.56% for the last 3 years; 2015 Fiscal year ending June 30 earned 5.63%, 17.5% for the past 15 years. The Trustees asked Mr. Leonard's opinion of possibly transferring the plan to the Florida Retirement System (FRS). Mr. Leonard stated that he did not know if that was even an option, but if it were there could be some significant obstacles to its completion. His primary concerns would be: (1) the level of underfunding that FRS would calculate, not knowing what discount rate would be applied to the plan's liabilities. At a 6.5% discount rate, the unfunded liability was $10,756,263 for GASB, as of October 1, 2015. Current settlement (annuity) rates range from 2% to 3%, so the actual unfunded (if those rates applied) could be more than $20,000,000. FRS would probably allow for an amortization of this amount (in addition to a regular annual payment for continuing accrued benefits). The amortization would most likely be calculated using the valuation rate of interest - currently 7.65%. (2) That the benefit formula for most of the current Port Orange General Employees Retirement Plan participants is better than the FRS plan. Since it is unlikely that FRS would allow the current formula to continue, there could be a reduction in benefits that the City does not intend to impose on long term employees

Member Laney requested that the discussion about FRS should be recorded in today's meeting minutes.

Mr. Leonard reviewed the cost of reducing the rate down from 7.5%. Mr. Leonard distributed the handout to all Members. If the Interest Rate went down 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%.

After the review from Mr. Leonard, Member Laney noted that she thinks the rate should go down somewhat to a conservative amount. Member Riehm agreed with that comment as well. Mr. Leonard noted that the Board moved from 8% to 7.5% in 2010, while reducing salary increases to 4% which helped reduce the cost. Member Ferreira questioned that he understood the Interest Rate going down will raise the City's Contribution Rate, but at the same time, also raise the Plan's liabilities, why would the Board want to do that. Investment Advisor Jeff Swanson commented that this Plan is different because since we have fewer employees entering the Plan and there is more money leaving the Plan then entering the Plan, over time, the Plan will be short of cash, which will reduce Plan's investment performance. So, lowering the interest rate can help the plan's cash flow. Member Laney asked Council Member Scott Stiltner to bring this issue to next City's Council Meeting. Council Member Scott Stiltner said that he will do so; he already mentioned this issue at the past Council Meeting. Member Stiltner said that being a City Council Member, he has concerns about City's budget, but he believes that paying more money now is much better than paying later. Member Stiltner said his goal is to reduce the interest rate to 7.35% next year and four years reach 7.00%. Member Johnson and Member Laney agreed with Member Stiltner. Member Riehm said that she also fine with Member Stiltner's suggestion, and if the Pension Board approves to lower the interest rate to 7.35% for next year, she will include it in the City's next Fiscal Year Budget which will happen in October this year. Mr. Leonard asked if the Plan was to lower the rate to 7.35% would that be for FY 2017-18. Member Riehm said that she thought it would be for the FY 2017-18. Chairperson Donahue said he would like to see this item listed on the next agenda for discussion and vote.

Member Laney moved to approve the report as presented. Member Riehm seconded the motion and the motion passed.

2015 Final Audit Report- James Moore

After reviewing the Final Audit Report Member Laney moved to approve the audit. Member Ferreira seconded the motion and the motion passed.

FINANCIALS:

February 2016 – Dave Leonard

Mr. Leonard reviewed the financials with the Board. Mr. Leonard noted the market value of the Fund is $28,628,572.95, a decrease of $127,221.38. Receipts for the month totaled $922,386.83 versus total disbursements of $914,127.05. Payments to retirees and other participants totaled $154,633.19. The balance as of February 29, 2016 was $1,133,502.66 in the Cash account. Mr. Leonard reported that the yield for the month is -0.20%.

Member Laney moved to accept the February reports as provided. Member Johnson seconded the motion and the motion passed.

Highland Capital- Grant McMurray

Mr. Grant McMurray distributed an additional handout about the performance of the Fund. As of December 31, 2015, the City of Port Orange General Employees Retirement Pension Fund's Highland Capital Management balanced account was valued at $7,132,114.00. For the fourth quarter, the Highland Capital Management balanced portfolio returned 5.90% which was 1.1% lower than the Index of 7.0%; -0.5% for one year, and10.7% for the past five years on an annualized basis. It was noted that the asset allocation is as follows: 93.9% in Value and 6.1% in Cash/Cash Equivalents. The top three holdings by sector are as follows: Financials, 26.0% of the portfolio returned 5.1%; Industrials, 12.5% of the portfolio returned 8.7%; and Health Care, 11.3% of the portfolio returned 5.3%.

Mr. McMurray reported on the historical overview of the S&P 500 Index and the impact it has on the market. Mr. McMurray noted that the U.S. stock market, represented by the S&P 500 Index, was up for the fourth quarter of 2015 by 7.0%. the market rebounded during the last quarter of the year as leading economic indicators in the U.S. rose in October and November, suggesting continued economic growth.

Southeastern Advisory- Jeff Swanson

Mr. Swanson reviewed the investment performance report for the period ending December 31, 2015. The fourth quarter of 2015 brought an end to a year in which capital markets were dominated by the board macroeconomic themes of "U.S. interest rates" and "economic slowdown in China". After years of uncertainty, the U.S. Federal Reserve finally took action on interest rates; on December 16, the Fed decided to raise the target range of the Fed Funds rate to 0.25-0.50%, from the 0.00-0.25% range it had maintained since 2007. Growth in consumer prices remained weak in the U.S., primarily due to the stunning collapse in oil prices and the resultant slide in gasoline prices. The Consumer Price Index, All Urban Consumer (CPI-U) fell -0.6% in the fourth quarter of 2015 and for the year posted a remarkably low 0.7% increase. This marks four years of consumer inflation remaining below 2.0% per year. U.S. real GDP growth slowed but was sound during the third quarter of 2015, expanding 2.0% annualized. China's economic slowdown has had major effects on the global economy, as lesser demand for industrial raw materials has sent commodities prices sharply lower. Gold, despite a fairly tumultuous year in geopolitical events, slid 12% over 2015 as well.

Mr. Swanson reported that the Fund portfolio value as of December 31, 2015 was $29,738,032. The Total Fund returned 4.4% for the fourth quarter which was 0.7% higher than the target Index of 3.7% and ranked 2% of Total Public Fund Sponsors, 3.4% for one year, and 10.4% for the past three years on an annualized basis. The asset allocation is 56.8% Domestic Equity, 19.1% Fixed Income, 9.1% International Equity, 12.8% Real Estate and 2.2% Cash. Total Domestic Equities' return was 7.0% which was equal to the S&P 500 Index of 7.0%. Total Fixed Income returned -0.5% which was 0.1% lower than the Barclays Aggregate Index of -0.6%. Total International Equities' return was 4.2% which was 0.5% lower than the MSCI EAFE Index of 4.7%. Total Real Estate's return was 2.8% which was 0.1% lower than the NCREIF Property Index of 2.9%.

Mr. Swanson reported that the Manager Allocation is 24.0% managed by Highland Capital, 8.2% managed by Atlanta Cap, 4.3% managed by EuroPacific Growth, 4.8% managed by Vanguard Global, 12.8% managed by Principal Real Estate, 26.6% managed by Boston Company and 19.2% managed by Integrity.

The compliance checklist is positive and Investment Advisor Mr. Swanson said he is not making any suggestions for change at this time.

NEW BUSINESS:

Agreement letter for Fund Attorney James Loper

Mr. Prior contacted Attorney James Loper regarding his letter of agreement. Mr. James Loper introduced his firm and his services. He indicated that his fee is $250 per hour and is agreeable to a three year agreement if the Board so desires. Attorney James Loper noted that he is planning to retire in 2018 when he turns age 70. Member Riehm moved to approve with 90 days and 3 year term. Member Ferreira seconded the motion and the motion passed.

2015 GASB 67

Mr. Leonard provided a brief report on GASB 67 which is of no impact to the Plan. As of September 30, 2015: Total Pension Liability $33,383,933; Plan Fiduciary Net Position $27,330,202; Net Pension Liability $6,053,731; Plan Fiduciary Net Position as percentage of the Total Pension Liability 81.87%.

2015 GASB 68

This reflects the impact on the City. As of September 30, 2015, Pension Plan membership consisted of the following: 77 Inactive Members or Beneficiaries currently receiving benefits, 24 Inactive Members entitled to but not yet receiving benefits; 132 Active Plan Members. FS 2015 Actuarial Assumptions applied to all periods in the measurement: Inflation rate is 3%, Salary Increase 4.0% and Investment Rate of Return is 7.5%. Member Riehm noted that Mr.Leonard did not charge the Plan any additional fees for preparing the 2015 GASB 68.

Member Stiltner moved to approve both GASB 67&68 Reports. Member Johnson seconded the motion and the motion passed.

Brent Cover – Beneficiary of Deceased Retiree Brian Cover Payment for Approval

Chairperson Donahue reviewed the documents reflecting the Death Benefits payment for Mr. Brent Cover. Member Riehm moved to approve the Beneficiary Brent Cover's payment. Member Ferreira seconded the motion and the motion passed.

James Whitmarsh – Beneficiary of Deceased Retiree Dorothy Whitmarsh Payment for Approval

Chairperson Donahue reviewed the documents reflecting the Death Benefits payment for Mr. James Whitmarsh. Member Stiltner moved to approve the Beneficiary James Whitmarsh payment. Member Johnson seconded the motion and the motion passed.

DROP Application for Richard Towey

Chairperson Donahue reviewed the documents reflecting the DROP application for Richard Towey. Member Ferreira moved to approve the DROP application for Richard Towey. Member Johnson seconded the motion and the motion passed.

CONSENT AGENDA:

For Approval:

Warrant#111

Benefits USA, Inc. (Admin Fees 03/2016; INV #POG084)	$ 2,500.00
David G. Leonard, ASA (Actuarial Services: INV #16-007)	$ 11,875.00
David G. Leonard, ASA (Actuarial Services: INV #16-008)	$ 1,000.00
James Moore (2015 Audit INV #542796)	$ 7,000.00

Member Ferreira moved to approve Warrant #111. Member Johnson seconded the motion and the motion passed.

DISTRIBUTIONS:

Voluntary Plan

Betty Ceribelli	Total Withdrawal	$ 60,473.92
Donna Steinebach	Total Withdrawal	$ 160,117.62

Mandatory Plan

William LeMay	Total Withdrawal	$ 3,458.96

Member Riehm moved to approve the distribution for the above. Member Ferreira seconded the motion and the motion passed.

REPORTS:

Members

Member Riehm asked what the payment status is for deceased Retiree Recardo Wilker. Mr. Prior reported there is no Beneficiary for Mr. Wilker. Mr. Wilker indicated that he didn't have a Beneficiary when he was processing his retirement. Benefits USA did work with HR and followed up with his co-workers, only finding his step-brother. His step brother advised that he could not do anything to set up a Trust Fund for Recardo Wilker. Member Johnson said maybe she can find some contact information for Mr. Wilker. Member Riehm said that she knew City Employee Tracy London did work with Mr. Wilker's sister when he passed away. Member Riehm will contact Ms. London to give the contact information to Benefits USA. Member Riehm would like to get some expert's suggestion how to deal with this kind of situation.

Administrator

Mr. Prior reported that FPPTA Trustee School is scheduled for June 26 – 29, 2016 at the Hyatt Regency in Orlando, Florida. Members that wish to attend please contact Benefits USA as soon as possible to register with the FPPTA.

NEXT MEETING DATE:

April 25, 2016 at 2:00 p.m.

ADJOURNMENT:

The meeting adjourned at 4:17 p.m.

______________________ Chairperson

______________ Date

April 25, 2016 – Regular Meeting

Minutes

CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN
QUARTERLY MEETING MINUTES
April 25, 2016

ROLLCALL:

The quarterly meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairperson Donahue at 2:00 p.m. on April 25, 2016 in the 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:

Chairperson Kent Donahue, Council Member Scott Stiltner, Member Donnie Franklin, Member Tracey S. Riehm and Member Linda Johnson

Member Stiltner moved to move items 6, 7, and 8 to the front of the Agenda. Member Franklin seconded the motion and the motion passed.

ABSENT AND EXCUSED:

Peter Ferreira, Vice Chairperson Sonya Laney-resigned as of April 22, 2016

OTHERS PRESENT:

Pete Prior of Benefits USA, Inc., David Leonard, Actuary

PARTICIPANT/PUBLIC PARTICIPATION:

APPROVAL OF MINUTES

March 28, 2016 – Quarterly Meeting

Chairperson Donahue asked the Members if they have any issues with the minutes, corrections, additions, or deletions. Several Members pointed out there were a few disagreements in the March 28, 2016 Minutes. Mr. Prior said that he will go back and listen to the 3-28-2016 meeting tape to verify those discrepancies. Member Riehm moved to table the minutes of March 28, 2016 Meeting as written. Member Stiltner seconded the motion and the motion passed.

UNFINISHED BUSINESS

Discussion of the 1% Fee of Voluntary Accounts for Retirees and Terminations

Chairperson Donahue reminded the Board that this item was moved from the last meeting agenda for further discussion. He noted that Member Sonya Laney voiced her comments regarding those members with a remaining balance in the Voluntary account and the fees being assessed. Chairman Donahue commented that Member Laney has since resigned from the Board. The Board Members discussed the proposed annual administration fee of 1% that will be charged to the Retired or Resigned participants of the Voluntary Employee Contribution Fund. The Board questioned whether the General Employees Defined Benefit Plan (GEDBP) has the responsibility to act as the bank for all retirees and terminated members. Member Stiltner commented if there is zero risk to the Plan and no cost differential associated then as long as the Attorney says it's ok he is was fine with that. He does not believe the Pension Fund should take on the responsibility of being liable. Member Stiltner added he would like to get some suggestions from the attorney on how to solve this issue.

The Board by consensus agreed that they need to get an understanding/confirmation from HR whether or not this was a benefit.

Member Stiltner moved to send the information to the Attorney to determine (a) is this a risk to the Plan (b) is this a protected benefit and (c) is there legal standing to apply the 1% rate being discussed at this time. The motion was seconded by Member Johnson and the motion passed.

Member Riehm commented that she believes those who did not stay and was loyal to the Plan should be assessed the fee. She also suggests assessing a flat fee. After further discussion, the Board Members asked the Administrator to compile a list of the entire Voluntary Employee Contribution Fund Members, distinguish between actives, retirees and those who resigned and have it available for more discussion at the next meeting.

Discussion of Pension Fund Interest Rate Study

Chairperson Donahue commented that this item was moved from the last meeting agenda for further discussion and vote. The Chair reviewed the options noting that the discussion was to reduce the interest in incremental amounts per year possibly as low as 7%. Member Stiltner added that they need to be more in-line with realistic expectations and that there is interest amongst the Committee to do so. Member Stiltner suggested that Board should get the information from the Actuary as to what direction the Pension Fund should take regarding the Assumed Rate of Return. Member Stiltner said his goal is to reduce the interest rate to 7.35% next year and four years later to achieve the 7.00%. Member Johnson and Member Riehm agreed with Member Stiltner.

Member Riehm provided data of the 2014 Florida Public Pension Fund's performance, noting that most of the Pension Fund's performance was below GEDBP Assumed Rate of Return. Member Riehm discussed this issue from two sides: as a Pension Fund Member she would like to see it inch downward noting they need to be more conservative since it is a partially closed Plan. She added that the lower they set the target the easier it is to meet the target and the more money the City would have to put in the Plan. On the finance side the more money they have to put in the Plan the more expensive it would be for the City. She agrees reducing the Interest Rate will increase the City's contribution, providing the Pension Fund with additional cash flow. The Board discussed and understood that lowering the Interest Rate from 7.50% to 7.35% would be a 2% increase to the Plan, raising the City contribution to 17.4%. Decreasing the Interest Rate to 7.25% would increase the City contribution to 18.3%, and if decreased to 7.0%, the City's Contribution will increase to 20.7%. The City has three Pension Funds; of the three, the other two are higher than the General Fund. Chairperson Donahue suggested that the Board should postpone the vote for now and wait until Actuary Leonard attends the next quarterly meeting, avoiding the extra fee from the Actuary.

Member Donnie Franklin expressed that he had to leave the meeting. He reminded the Board to follow up on advertising the vacancy on the Board as a result of Vice Chair Laney's resignation. It was noted that this would be handled by Council. Member Riehm inquired if they still had a quorum and it was confirmed they had a quorum.

FINANCIALS:

March 2016 – Dave Leonard

Chairperson Donahue reviewed the March 2016 financials with the Board. Chairperson Donahue noted the market value of the Fund is $29,895,601.14, an increase of $1,154,155.64. Receipts for the month totaled $1,915,148.34 versus total disbursements of $2,094,152.01. Payments to retirees and other participants totaled $162,652.95. The balance as of March 31, 2016 was $954,498.99 in the Cash account. Chairperson Donahue reported that the yield for the month is 4.57%.

Member Riehm moved to accept the February reports as provided. Member Johnson seconded the motion and the motion passed.

NEW BUSINESS:

DROP Payment for Richard Towey

Chairperson Donahue reviewed the documents reflecting the DROP payment for Richard Towey.

Member Riehm moved to approve the DROP payment for Richard Towey. Member Johnson seconded the motion and the motion passed.

CONSENT AGENDA:

For Approval:

Warrant#112

Benefits USA, Inc. (Admin Fees 04/2016; INV #POG085)	$ 2,500.00
Integrity Fix Income Management (1st Qtr '16 Mgmt Fees; INV #2006)	$ 3,703.47
Southeastern Advisory (Investment Consulting Services: INV #1504)	$ 4,752.00
Southeastern Advisory (Investment Consulting Services: INV #16031)	$ 4,752.00
Highland Capital Management (2nd Qtr '16 Mgmt Fees; INV #12105)	$ 8,714.84
David G. Leonard, ASA (Actuarial Services: INV #16-009)	$ 3,000.00

Member Johnson moved to approve Warrant #112. Member Riehm seconded the motion and the motion passed.

DISTRIBUTIONS:

Mandatory Plan

Aubrey Long	Total Withdrawal	$ 416.14

Member Riehm moved to approve the distribution for the participant named above. Member Stilner seconded the motion and the motion passed.

REPORTS:

Members

Member Riehm requested a status update regarding the payment on behalf of deceased retiree Mr. Recardo Wilker. Mr. Prior reported there is no Beneficiary information on file. However, Benefits USA contacted Thomas Wright; an attorney who previously did some work for Mr. Wilker but he was unable to offer any assistance or advice on how to proceed. It was noted that Mr. Wilker also has a stepbrother but he wants nothing to do with the affairs. Mr. Prior reported that Mr. Wilker selected the Life Annuity Option and he has a balance of $27,791.66 noting it is not accruing any interest.

Member Riehm commented that someone is entitled to the Funds and asked Mr. Prior has he followed up with the Clerk of Court regarding any probate on file and Mr. Prior responded in the negative. Member Riehm suggested that Mr. Prior investigate probate regarding the house and also speak with Ms. Tracy London. Mr. Prior reported that Benefits USA contacted Ms. London to obtain contact information on Mr. Wilker's family members and she provided the contact information for Ms. Janice Taylor. Administrator Mei Fang contacted Ms. Taylor and found out she is Mr. Wilker's cousin who resides in Hinesville, GA., and that she also took care of his funeral expenses. Ms. Taylor is unable to provide any legal document to assume the role of Power of Attorney taking care of Mr. Wilker's assets. However, she is working with a local attorney in the City of Port Orange to try to solve this problem. Ms. Fang will follow up on the issue and Mr. Prior will provide an up-date to the Pension Board.

Member Riehm also stated she would like to follow up on the list of terminated and inactive members who are due return of contributions. She expressed that she would like to make sure those individuals entitled to a refund get the refund and that the Plan divest itself of the responsibility for the Funds. Member Riehm requested that Mr. Prior provide an update at the next meeting on the efforts in this regard.

Member Riehm reported that the Auditor has a few issues with the 2015 Pension Fund Audit. She referenced a copy of the Audit Report citing the three main issues all of which are repeat comments and listed as follows;

(a) Preparation of Financial Statements
(b) Document retention of Personnel Files

(c) Creation and maintenance of a Policy Manual

One item being suggested is that the Pension Fund should prepare financial reports, which are different than the monthly financial report provided by Actuary Dave Leonard. Mr. Prior commented that Benefits USA hired an independent bookkeeper to prepare similar reports for other Pension Funds. Chairperson Donahue asked Mr. Prior to provide a quote for the next meeting for discussion.

Administrator
FPPTA.
Mr. Prior reported that the next FPPTA Trustee Conference is scheduled for June 26 – 29, 2016 at the Hyatt Regency in Orlando, Florida. Members that wish to attend please advise Benefits USA as soon as possible to register with the FPPTA.

NEXT MEETING DATE:
May 23, 2016 @ 2:00 P.M.- Regular Meeting

ADJOURNMENT:
The meeting adjourned at 3:38 p.m.

Chairperson	Date

May 23, 2016 – Regular Meeting

Minutes

CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN REGULAR MEETING MINUTES
May 23, 2016

ROLLCALL:
The regular meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairperson Donahue at 2:00 p.m. on May 23, 2016 in 2nd Floor Training Room, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:
Chairperson Kent Donahue, Council Member Scott Stiltner, Donnie Franklin, Peter Ferreira, Tracey S. Riehm, and Linda Johnson

ABSENT AND EXCUSED:

OTHERS PRESENT:
Pete Prior of Benefits USA, Inc

PARTICIPANT/PUBLIC PARTICIPATION:

APPROVAL OF MINUTES
March 28, 2016 – Quarterly Meeting
Chairperson Donahue asked the Members if they have any issues with the minutes, corrections, additions, or deletions. Several Members pointed out there were a few disagreements in the March 28, 2016 Minutes. Mr. Prior said that he will go back to verify those discrepancies. Member Riehm moved to table the minutes of March 28, 2016 Meeting as written. Member Stiltner seconded the motion and the motion passed.

April 25, 2016 – Regular Meeting
Chairperson Donahue asked the Members if they have any issues with the minutes, corrections, additions, or deletions. Several Members pointed out there were a few disagreements in the April 25, 2016 Minutes. Mr. Prior said that he will go back and listen to the 4-25-2016 meeting tape to verify those discrepancies. Member Johnson moved to table the minutes of April 28, 2016 Meeting as written. Member Ferreira seconded the motion and the motion passed.

UNFINISHED BUSINESS

Discussion of the 1% Fee of Voluntary Accounts for Retirees and Terminations

Chairperson Donahue noticed this item was moved from the last meeting agenda for more discussion. Member Riehm said the entire Voluntary Employee Contribution Fund Members' list was included in this meeting packet by her request. The Board Members discussed the purpose for the administration fee to the Retired or Terminated participants of the Voluntary Employee Contribution Fund is encouraging them to rollover their money to their personal account. Member Riehm said she was fine with Retirees, but she believed the Pension Fund should not take liability responsibility for those Terminated Members. Chairperson Donahue said that the first step whether the Pension Board was allowed to make those changes or not? Member Riehm would like to get some attorney's suggestions to solve this issue. After further discussion, the Board directed Administration office to contact Fund Attorney to get his opinion for the Board to consider:

1. What is the wisdom of the attorney regarding the best practice of having a Voluntary Account administered by the General Employees Pension Board; can the Board close the Voluntary Account.
2. Does the Board have the authority to set additional fees for administration of the voluntary plan, such as a flat rate or percentage of assets? The Board was considering a 1% rate for example. Is the Voluntary Plan a vested benefits to the Members and would the current members/union have to sign off on any changes made to the Voluntary Plan.
3. Can the Board require mandatory distributions of assets for terminated members that have a balance but not retired from the General Employees Pension Plan?

Mr. Prior said that he will bring the Fund Attorney's response for the next Pension Board meeting.

FINANCIALS:

April 2016 – Dave Leonard

Chairperson Donahue reviewed the April, 2016 financials with the Board. Chairperson Donahue noted the market value of the Fund is $29,858,229.36, a decrease of $37,371.78 from last month. Receipts for the month totaled $1,318,947.68 versus total disbursements of $1,489,735.72. Payments to retirees and other participants totaled $398,547.07. The balance as of April 30, 2016 was $783,710.95 in the Cash account. Chairperson Donahue reported that the yield for the month is 0.89%.

Member Johnson moved to accept the April reports as provided. Member Ferreira seconded the motion and the motion passed.

NEW BUSINESS:

Steven Smith – Beneficiary of Deceased Retiree Glenn Smith Payment for Approval

Chairperson Donahue reviewed the documents reflecting the Death Benefits payment for Mr. Steven Smith. Member Stiltner moved to approve the Beneficiary Steven Smith's payment. Member Ferreira seconded the motion and the motion passed.

Election of New Vice Chair

Chairperson Donahue said since Vice Chairperson Sonya Laney-resigned as of April 22, 2016, the Pension Board needs to elect a new Vice Chairperson. Member Franklin moved to table this issue until next meeting with all Members being present.

CONSENT AGENDA:

Warrant#114

Benefits USA, Inc. (Admin Fees 05/2016; INV #POG086)	$ 2,500.00
The Boston Company (1st Qtr '16 Mgmt Fees; INV #71647)	$ 9,371.65

Member Stiltner moved to approve Warrant #114. Member Franklin seconded the motion and the motion passed.

DISTRIBUTIONS:

Mandatory Plan

Michael McGeachy	Total Withdrawal	$ 3,808.61

Member Johnson moved to approve the distribution for the above. Member Stiltner seconded the motion and the motion passed.

REPORTS:

Members

Member Riehm requested a status update regarding the payment on behalf of deceased retiree Mr. Recardo Wilker. Mr. Prior reported that Administrator Mei Fang followed up with Ms. Taylor every two weeks with no changes. Mr. Recardo Wilker's step brother Tyrone refuses to sign any release documents on behalf of his step brother. Benefits USA also did further research and found that Mr. Wilker's house is still under mortgage and not posted on the market. According to Ms. Taylor, his cousin, there are pending bills as well. Member Riehm said that she felt sorry for Mr. Wilker's family; but she does not believe the Pension Fund should take on the responsibility for this situation.

Member Riehm would like to get some attorney's suggestions to solve this issue. After further discussion, the Board directed the Administration office to contact the Fund Attorney to get his opinion for the Board to consider regarding a death of a member with no Will or Beneficiary, lack of cooperation from immediate family, what is the role of the Board or legal procedure dealing with the immediate assets of the deceased member. Is there a time frame as to when to send the assets to the State or Probate? Mr. Prior said that he will bring the Fund Attorney's response for the next Pension Board meeting.

Member Johnson said that Administrator Mei Fang didn't reply to her email about how to help a Member complete their form since Heather Carrizales is on maternity leave. Mr. Prior said that is unusual, maybe the email didn't go through or Mei Fang just missed the email. Mr. Prior indicated that he knew the member was contacted by Benefits USA and the employee was assisted in completing his paperwork.

Administrator

Mr. Prior reported that FPPTA Trustee Conference is scheduled for June 26 – 29, 2016 at the Hyatt Regency in Orlando, Florida. Members that wish to attend please advise Benefits USA as soon as possible to register with the FPPTA. Members said that they are very interested to go, but their schedule can't make it happen. They will try to attend the FPPTA School in the future.

Mr. Prior said that the Board asked him to provide a quote for the monthly financial report, and his quote is $275.00 per month. After further discussion, the Board directed to table this issue until the Board discusses the following year's Audit.

NEXT MEETING DATE:

July 25, 2016@10:00 a.m. – 2016 Employee Pension Fund Conference
July 25, 2016@2:00 p.m. – Quarterly Meeting

Members discussed the Meeting Date for both Meetings, Mr. Prior said he will go back to check and clarify the Meeting date with the Board when he come back to the office.

ADJOURNMENT:

The meeting adjourned at 3:15 p.m.

Chairperson

Date

Unfinished Business

Legal Suggestions for Voluntary Employee Contribution Fund

CITY OF PORT ORANGE GENERAL EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
RULES FOR VOLUNTARY PARTICIPANT CONTRIBUTIONS ACCOUNTS

1. Section 54-148(b), "Voluntary participant contributions" of the Plan, in part, provides:

   "Each employee shall have the right to elect to make voluntary employee contributions up to ten percent of his basic compensation.";

   "The voluntary employee contributions shall be deposited to a voluntary employee contribution account.";

   "As of September 30 of each plan year the amount in the voluntary employee contribution account shall be adjusted first for any requested refunds and the remaining balance shall be credited with the calculated trust fund earnings. Any voluntary contributions made during the plan year shall then be added to the voluntary employee contribution account."; and

   "An employee may request a refund from his account an amount not exceeding the total of his voluntary contributions with investment gains and losses at the time of such request. This request shall be made to the retirement committee on a form supplied by the retirement committee."

2. Section 54-169(b), "Authority of the retirement committee", in part, provides:

   "(1) The retirement committee shall have the authority to make such rules and regulations and to take such action as may be necessary to carry out the provisions of the plan…"

3. As soon as administratively possible after the September 30 immediately following the employee's separation from employment as a general employee with the City of Port Orange, the employee's voluntary employee contribution account shall be distributed in a single lump sum amount, either through a cash payment or direct rollover, less any taxes required to be withheld and remitted to the Internal Revenue Service. All lump-sum distributions shall be made subject to and in accordance with all applicable provisions of the Internal Revenue Code. A Special Tax Notice Regarding Plan Payments shall be furnished to the employee separating from employment as a general employee of the City of Port Orange as soon as administratively possible after the retirement committee/board of trustees learns of such separation from employment.

4. Provided however, upon written request to the retirement committee/board of trustees and subject to the approval of the retirement committee/board of trustees, a participating employee who is separating from employment as a general employee with the City of Port Orange may elect to have all or some of the amount in the participant's voluntary employee contribution account remain in the Plan, subject to the following conditions:

a. Upon separation from employment as a general employee with the City of Port Orange, the participant will no longer be allowed to deposit additional voluntary employee contributions in the Plan.

b. There will be an annual administrative fee of _____% charged on the amount of the voluntary employee contribution account as of September 30 of each plan year, for the expenses of making the annual calculation of the amount in the voluntary employee contribution account as of September 30 of each year, for processing requests for distributions, etc.

c. In the written request, the separating employee acknowledges in writing that he/she understands that: (1) The written investment policy of the defined benefit plan(asset allocation, assumed risk, long-term investment goals, etc.) may not be consistent with his/her financial circumstances including age of the separated employee, cash needs, etc.; (2) As of September 30 of each plan year, the voluntary participant contribution account will be credited with gains or debited with losses of the net investment return of the defined benefit plan.

d. Upon written request of the separated participating employee, a complete lump sum distribution or partial lump-sum distributions shall be made as soon as administratively possible after September 30 once approved by the retirement committee/board of trustees in a single lump sum amount, either through a cash payment or direct rollover, less any taxes required to be withheld and remitted to the Internal Revenue Service.

e. All lump sum distributions, including required minimum distributions (RMD), shall be made subject to and in accordance with all applicable provisions of the Internal Revenue Code.

f. A Special Tax Notice Regarding Plan Payments shall be furnished to the participant requesting distribution before any lump sum distribution is made.

g. The separating employee requesting continued participation agrees to notify the retirement committee/board of trustees in writing of his/her current post office address and each change of post office address.

h. The requesting separating employee shall on a form provided by the retirement committee/board of trustees designate a beneficiary or beneficiaries to receive the balance in the separated employee's voluntary participant contribution account upon the death of the separated employee.

Mei Fang

From: James Loper [jloper@loperlaw.com]
Sent: Wednesday, July 06, 2016 3:13 PM
To: 'Pete@benefits-usa.org'
Cc: Mei Fang; livia@benefits-usa.org; Loraine Loper
Subject: RE: City of Port Orange General Employees Retirement Plan-Voluntary Participant Contributions
Attachments: Policy for Administration & Distribution 09.15.15.docx

Pete,

Upon further review, I recognize that in response to the second paragraph of your email sent Thursday, September 3, 2015, that on 09.15.2015, I sent you a proposed policy, "Rules for Voluntary Participant Contribution Accounts", a copy of which is attached. Paragraph 3 of that proposed policy provides for distribution of the voluntary employee contribution account "…following the employees separation from employment…" Paragraph 4 of that proposed policy provides that upon written request the participating employee who is separating from employment may elect to have all or some of the amount of the participant's voluntary employee contribution account remain in the plan subject to certain conditions.

Section 54-48 (b), "Voluntary member contributions (nonmatching)" (the superseded plan), provides: "Voluntary member contributions shall be fully vested and nonforfeitable at all times and subject to immediate distribution in the event of a member's death, disability, retirement or other termination of employment."

However, Section 54-148 (b), "Voluntary participant contributions" (the plan effective October 1, 2003), provides: "If the employee was making voluntary employee contributions under the provisions of the superseded plan the amount in this account will be transferred to the plan and any voluntary employee contributions made subsequent to October 1, 2003 shall be deposited into this account." HOWEVER, Section 54-148(b), does not contain the above quoted language found in Section 54-48 (b) providing that the voluntary member contributions are subject to immediate distribution in the event of a member's death, disability, retirement or other termination of employment."

Section 54-148 (b), does provide: "An employee may request a refund from his account in an amount not exceeding the total of his voluntary contributions with investment gains or losses at the time of such request."

As noted in my email sent June 14, 2016, "Section 54-148 (b) does not give the board the authority to require mandatory distribution of assets for 'terminated members' ."

An administrative body, such as a Board of Trustees/Retirement Committee, only has such rulemaking authority (adoption of policies) as delegated to it by the underlying legislative authority (city ordinances, or requirements of federal or state law). Otherwise, policies could be subject to legal challenge alleging that the policy exceeds the delegated authority.

Therefore, under the current provisions of Section 54-148 (b), the Board of Trustees/Retirement Committee does not currently have the authority to adopt a policy providing for immediate distribution of the voluntary participant's contribution account upon separation from employment of a participant who is immediately entitled to receive monthly benefits from the DB plan, or of a participant who is a terminated vested employee who at a later date will receive monthly benefits from the DB plan; or for distribution to members who have small balances.

Before any policy concerning the administration and distribution of the Section 54-148(b) voluntary participant contribution accounts, including charging administrative fees, Section 54-148 (b) needs to be amended. As indicated in my email sent Tuesday, June 14, 2016, Section 54-148 (b) does not contain the detail, specifics and authority contained in the defined contribution plan or the DROP, and if such is going to be continued needs to be amended to provide more specifics and/or more specific authority for the Board of Trustees/Retirement Committee to adopt rules and regulations or policies.

Thank you for the opportunity for me to review my previous emails and respond further.

James B. Loper
Attorney at Law
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Tampa, Florida 33618
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Fax: (813) 964-8867
Email: jloper@loperlaw.com

From: Pete Prior [mailto:Pete@benefits-usa.org]
Sent: Tuesday, July 05, 2016 3:57 PM
To: James Loper
Cc: Mei Fang; livia@benefits-usa.org
Subject: RE: City of Port Orange General Employees Retirement Plan-Voluntary Participant Contributions

James I hope all is well. While reviewing your comments for the meeting next month I am cutting and pasting your question here. I need further clarification of Question 3. Under what circumstance would there be a "terminated member" who is not retired from the General Employees Pension Plan? Do you mean a general employee member who has separated from employment but not yet eligible to start receipt of monthly benefits from the general employees defined benefit plan because of the member's age?

If I was unclear I apologize but you did capture my intent; that is, can an employee who has separated from employment but not yet eligible to receive monthly benefits from the DB plan be subject to mandatory distributions. Not just only because of age but it could be a terminated vested employee. It could also refer to members who have small balances

Thanks for your input on the matter,

Pete

Mei Fang

From: Pete Prior [Pete@benefits-usa.org]
Sent: Wednesday, May 25, 2016 3:39 PM
To: James Loper
Subject: questions from board members

Good morning James,

As a follow up to our conversation this morning regarding the questions posed by the board and the voluntary account I am putting them in writing for your response/opinion for the board to consider.
As you are aware, the Port Orange General Employees Pension Plan also administers a Voluntary Investment Plan that was set up many years ago. I do not know the origin of the Plan, whether or not it was part of the collective bargaining process, or the intent of the Plan going forward past retirement. If my memory serves correctly, the union did sign off on the fact on the city closing the Voluntary Plan to new members after the city decided to partially close the plan, so there may be some unanswered questions that may have to be answered by the union. Nonetheless, the following are the questions the board would like to have your opinion on.

1. What is the wisdom of the attorney regarding the best practice of having a voluntary account administered by the General Employees Pension Board; can the board close the voluntary account.
2. Does the board have the authority to set additional fees for administration of the voluntary plan, such as a flat rate or percentage of assets. The board was considering a 1% rate for example. Is the Voluntary Plan a vested benefit to the Members and would the current members/union have to sign off on any changes made to the Voluntary Plan.
3. Can the board require mandatory distributions of assets for terminated members that have a balance but not retire from the General Employees Pension Plan.
4. Regarding a death of a member with no Will or Beneficiary, lack of cooperation from immediate family, what is the role of the board or legal procedure dealing with the immediate assets of the deceased member. Is there a time frame as to when to send the assets to the State or Probate?

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BENEFITS-USA
A Third Party Administrator of
Public Pension Plans

Pete Prior
Benefits USA
954-730-2068 Office
954-730-0738 Fax

Pete,

This email is in response to questions 1, 2, and 3 of your email sent Wednesday, May 25, 2016 at 3:39 PM.

1. As historical background, provisions concerning "Voluntary Member Contributions" were found in Section 15-22 (2), pages 1101-1102, of the 1981 Code of Ordinances effective April 11, 1981. According to the reference, this section was created by Ordinance No. 2-6.3, Sec. 3, passed 11-13-1979. For the "City of Port Orange General Employees Retirement System (a defined contribution plan)", also known as the "superseded plan", provisions concerning "Voluntary member contributions (nonmatching)" are found in Section 54-48 (b) of the "superseded plan", and provisions concerning "Voluntary member contributions (matching)" are found in Section 54-48 (c) of the "superseded plan". The MuniCode codification of Section 54-48 printed 6/4/2016 cites various ordinances beginning with the Code 1981 and ending with Ord. No. 2010-15, 6-22-10 and Ord. No. 2013-14, 8-6-2013.

Ord. No. 2010-15, amended Section 54-48(c), by changing the maximum City contribution from 2 ½% to 3%.

Ord. No. 2013-14 passed August 6, 2013 amended section 54-48 (c), by changing the maximum voluntary member contribution(matching) from 5% to 6%, including four members in ICMA-RC 457 Plan.

2. Provisions concerning "Voluntary participant contributions" of the "City of Port Orange General Employees Defined Benefit Retirement Plan", effective October 1, 2003, are currently found in Section 54-148(b), as codified by MuniCode. References for Section 54-148 are Ord. No. 2003-27, 7-15-03; Ord. No. 2007-6, 2-27-07; and Ord. No. 2009-18, 9-22-09. The 2003 ordinance creating the DB Plan did not contain provisions for city matching contributions for voluntary member contributions. Ord. No. 2003-27 indicates that this new plan was as a result of recommendations of the pension board "in consultation with the Pension Board's actuarial consultant, meetings with the General Employees and a majority vote of the eligible participants in the plan."

Ord. No. 2007-6 passed February 27, 2007 amended section 54-148 (a), "Mandatory participant contributions", to increase mandatory participant contributions from 5.0% to 5.9% beginning March 1, 2007.

Ord. No. 2009-18 passed September 22, 2009 amended Sec. 54-148(a), "Mandatory participant contributions", to increase mandatory participant contributions from 5.9% to 7.5% beginning October 5, 2009. This ordinance also indicates that "changes herein have been agreed to by the certified employee organization that represents certain employees who are participants of this retirement system."

Ord. No. 2011-37, passed January 3, 2012, created the City of Port Orange General Employees Defined Contribution Retirement Plan (Section 54-175), which ordinance also provided: "General employees hired on or after January 1, 2012 into positions not included in a bargaining unit shall participate in the City of Port Orange General Employees Defined Contribution Retirement Plan as set forth in section 54-175"; and "General employees hired on or after January 1, 2012 into positions included in the bargaining unit shall have the option of participating in... the Defined Benefit Retirement Plan... OR the... Defined Contribution Retirement Plan as set forth in section 54-175."

QUESTION 1. "What is the wisdom of the attorney regarding the best practice of having a voluntary account administered by the General Employees Pension Board; can the board close the voluntary account?"

The question or wisdom to have a voluntary participant contribution program, as well as the question or wisdom as to who should administer the voluntary participant contribution program, is a political/philosophical decision and not a legal decision.

Concerning the administration of a voluntary participant contribution program, I have the following observations:

a. The City has an International City Management Retirement Association (ICMA-RC) Money Purchase Plan and Trust (which may or may not be the same as the ICMA-RC 457 Plan), which I assume is administered by a third-party administrator (ICMA).
b. The City, for certain employees, also has The City of Port Orange Defined Contribution Retirement Plan (Sec. 54-175), in which investments of contributions are participant directed and which can be administered by a third-party administrator.
c. The City of Port Orange General Employees have a Deferred Retirement Option Program (DROP), which was created by Ordinance No. 2007-6 passed on 2-27-07, and which is codified in Section 54-172. Sec. 54-172(h) provides: "The DROP shall provide for participant self-directed investment options. The retirement committee shall approve an administrator for purposes of administering the self-directed DROP. Each participant's DROP account shall be credited with earnings or debited with losses in accordance with the investment selected by the participant. Investments, and the fees for managing investments and administering the DROP, shall be the responsibility of the participant in accordance with the investment options selected by the participant The DROP investment options shall be established consistent with the requirements of the Internal Revenue Code. Neither the city, the trust fund nor the retirement committee shall have any responsibility or liability for the DROP investments selected by a participant." In 2012, I was asked by the finance director to review the Administrative Services Agreement between ICMA Retirement Corporation (the 3rd party administrator) and the Retirement Committee, for the DROP administration.
d. Some cities that I am familiar with in addition to a defined benefit plan also have a separate deferred compensation plan/457 plan, the latter of which is administered by a third-party administrator.
e. The City of Orlando Firefighters Defined Benefit Plan has within the plan a SHARE Program (excess state premium tax monies) which is primarily administered by a third-party administrator, Nationwide, with some oversight by the pension board. Nationwide provides various investment options and the investments are self-directed by each participant. This gives the participant the option depending on the participant's financial circumstances of his/her asset allocation and the risk/return.
f. The City of Largo Firefighters and Police Officers Defined Benefit Plan also has a Fire Share Program and a Police Share Program within the plan. Unless such has changed since I drafted both of these programs, these SHARE Programs are also administered by a third-party administrator and investment of the monies assigned to each share participant are self-directed.
g. Generally speaking, investments of a defined benefit plan are long-term investments in which the asset allocation takes more risk for a better long-term return. Depending upon

the voluntary participant's circumstances, such may not be in the best interest or desires of the voluntary participant. The voluntary participant may wish to change his/her investment strategy the closer he/she is to retirement or because of changing financial needs.

h. Participant/ Self-directed investment programs put more responsibility on the individual participant than relying on the investment managers hired by the defined benefit plan.
i. I would guess that the fees for the investment managers and investment consultant of the defined benefit plan are less than the fees of a third-party administrator and their investment managers of a group program, whose fees I would expect to be less than if the person was handling their investment contributions individually such as with an IRA.
j. I personally have had a simplified employee pension plan(SEP) since 1987 in which I as the employer make contributions each year for each eligible employee in the same percentage amount, but each employee is responsible for the investment of the contributions made to their separate account, and any investment fees and administrative fees.

Since the "Voluntary member contributions" program (Section 54-48 (b) and (c)); the "Voluntary participant contributions" program (Section 54-148 (b)); and the Defined Contribution Retirement Plan (Section 54-175), were each created by the City through ordinances, with the administration of each placed with the retirement committee/pension board, the board cannot unilaterally close these programs or participant accounts.

As you can see, the provisions of the City of Port Orange's Defined Contribution (DC) Plan and Deferred Retirement Option Program(DROP)[as well as other programs of other cities mentioned above] are more detailed than Section 54-148 (b), and both provide for:

(1) Participant/self-directed investments.
(2) A third-party administrator.
(3) Investment fees that are the responsibility of the participant.
(4) Administrative fees that are the responsibility of the participant.

If the political/philosophical decision is to continue with a voluntary participant contribution program, then it is my legal recommendation that the governing ordinance and/or the agreement with the third party administrator needs much more detail than currently in Section 54-148 (b).

My legal experience is primarily with defined benefit plans, not defined contribution plans. The same may be true with governmental pension boards of trustees. Therefore, defined contribution plans may be better served by those with more experience with defined contribution plans, including on issues of applicable provisions of federal law (including the Internal Revenue Code) that unique to defined-benefit plans.

QUESTION 2: "Does the board have the authority to set additional fees for administration of the voluntary plan, such as a flat rate or percentage of assets. The board was considering a 1% rate for example. Is a Voluntary Plan a vested benefit to the members and with the current member/union having to sign off on any changes made to the voluntary plan."

The board does not currently have the authority to set additional fees for the administration of the "Voluntary member contributions" program (Section 54-48 (b) and (c), or the "Voluntary participant contributions" program (Section 54-148 (b), since there is no provision or authorization in the applicable plan provisions (ordinances) for such. The "Voluntary participant contributions" accounts are "credited with the calculated trust fund earnings", which I interpret to mean net earnings after investment fees and expenses, but not administration expenses such as providing periodic accountings to the voluntary participants of account balances.

Compare with the provisions of the City of Port Orange Defined Contribution Retirement Plan (Section 54-175), which provides vesting of "all contributions made by the employee with the net cumulative investment gain or loss thereon less investment fees and administrative charges", and which provides benefits that "accrue in individual accounts that are participant-directed, and funded by city and employee contributions and earnings thereon, less administrative expenses". The board could charge participants of the DC Retirement Plan with administrative expenses such as the expense of providing periodic accountings of account balances. Quarterly statements are required of "the participant's interest and investment earnings thereon; any fees, penalties, or the deductions that apply thereto."

Since a Florida Supreme Court decision in the early 1980s, pension benefits are terms and conditions of employment; they are subject to collective bargaining rights. Therefore, as to any "voluntary participant" in the "Voluntary participant contributions" program, who is a member of the certified bargaining unit, regardless of whether or not they are dues paying member of the union, and regardless of whether or not the collective bargaining agreement is silent as to the "Voluntary participant contributions" program (since this program has been in effect since 2003, it would be considered part of the collective bargaining agreement), any change would be subject to the collective bargaining process as required by Part II of Chapter 447, Florida Statutes, the Public Employees Relations Act.

Generally speaking, once a defined benefit participant reaches normal retirement date/age (not when the participant vests), pension benefits cannot be changed to the detriment of the participant unless the individual participant agrees. Court cases have held that once a participant reaches normal retirement date/age (time in which a member is eligible to start withdrawing pension benefits) that a implied contract is created that cannot be unilaterally changed. "Vesting" (usually 10 years of service) normally occurs before the participant reaches normal retirement date/age. However, the court cases that establish this provision of law involved defined benefit plans. At this point, I have not done any additional research see how this provision of law would apply to a defined contribution plan. I am not an expert on defined contribution plans, but my understanding is that generally that the defined contribution benefits cannot be withdrawn until separation from employment unless for financial hardship. Therefore, my unresearched first impression is that the terms of a defined contribution plan cannot be changed for the individual participant once the individual participant separates from employment.

To charge additional fees for the administration of the Section 54-148 (b), "Voluntary participant contributions" program, would require the passage by City Council of a pension ordinance, but could only be applicable to those voluntary participants who have not reached their normal retirement date/age; and for members of a collective bargaining unit would be subject to the collective bargaining process pursuant to Part II, Chapter 447, Florida Statutes. If City Council passes an ordinance authorizing additional fees for the administration of the voluntary participant contributions program, I would recommend that such ordinance give the voluntary participant the right to withdraw or rollover their voluntary contributions with earnings prior to the effective date of such additional administrative fees.

QUESTION 3: Can the board require mandatory distributions of assets for terminated members that have a balance but not retire from the General Employees [defined benefit] Pension Plan?

Section 54-148 (b), "Voluntary participant contributions" program, provides that "an employee may request a refund from his account an amount not exceeding the total of his voluntary contributions with investment gains or losses at the time of such request" and "such employee may request a second withdrawal... for the purpose of a financial hardship..." Section 54-148 (b) does not give the board the authority to require mandatory distributions of assets for "terminated members".

Section 54-170, "Applicable law", does authorize the board to comply with applicable provisions of federal and state law including the Internal Revenue Code. Included in the Internal Revenue Code is required minimum distributions (RMD's), when the retired participant reaches age 70 ½. (See Internal Revenue Code Section 401 (a) (9), "Required Distributions", which more specifically provides that distribution must begin by the later of (i) April 1 of the calendar year following the calendar year that the employee obtains the age of 71 ½ , or (ii) April 1 of the calendar year after the calendar in which the participant retires.

I need further clarification of Question 3. Under what circumstance would there be a "terminated member" who is not retired from the General Employees Pension Plan? Do you mean a general employee member who has separated from employment but not yet eligible to start receipt of monthly benefits from the general employees defined benefit plan because of the member's age?

As you can see, when comparing the provisions of Section 54-148 (b), "Voluntary participant contributions" program, which Section 54-175, "City of Port Orange Defined Contribution Retirement Plan", the latter provides much more detail, specifics, and authority.

I hope this is responsive to your and the board's questions.

Pete,

Upon further review, I recognize that in response to the second paragraph of your email sent Thursday, September 3, 2015, that on 09.15.2015, I sent you a proposed policy, "Rules for Voluntary Participant Contribution Accounts", a copy of which is attached. Paragraph 3 of that proposed policy provides for distribution of the voluntary employee contribution account "...following the employees separation from employment..." Paragraph 4 of that proposed policy provides that upon written request the participating employee who is separating from employment may elect to have all or some of the amount of the participant's voluntary employee contribution account remain in the plan subject to certain conditions.

Section 54-48 (b), "Voluntary member contributions (nonmatching)" (the superseded plan), provides: "Voluntary member contributions shall be fully vested and nonforfeitable at all times and subject to immediate distribution in the event of a member's death, disability, retirement or other termination of employment."

However, Section 54-148 (b), "Voluntary participant contributions" (the plan effective October 1, 2003), provides: "If the employee was making voluntary employee contributions under the provisions of the superseded plan the amount in this account will be transferred to the plan and any voluntary employee contributions made subsequent to October 1, 2003 shall be deposited into this account." HOWEVER, Section 54-148(b), does not contain the above quoted language found in Section 54-48 (b) providing that the voluntary member contributions are subject to immediate distribution in the event of a member's death, disability, retirement or other termination of employment."

Section 54-148 (b), does provide: "An employee may request a refund from his account in an amount not exceeding the total of his voluntary contributions with investment gains or losses at the time of such request."

As noted in my email sent June 14, 2016, "Section 54-148 (b) does not give the board the authority to require mandatory distribution of assets for 'terminated members'."

An administrative body, such as a Board of Trustees/Retirement Committee, only has such rulemaking authority (adoption of policies) as delegated to it by the underlying legislative authority (city ordinances, or requirements of federal or state law). Otherwise, policies could be subject to legal challenge alleging that the policy exceeds the delegated authority.

Therefore, under the current provisions of Section 54-148 (b), the Board of Trustees/Retirement Committee does not currently have the authority to adopt a policy providing for immediate distribution of the voluntary participant's contribution account upon separation from employment of a participant who is immediately entitled to receive monthly benefits from the DB plan, or of a participant who is a terminated vested employee who at a later date will receive monthly benefits from the DB plan; or for distribution to members who have small balances.

Before any policy concerning the administration and distribution of the Section 54-148(b) voluntary participant contribution accounts, including charging administrative fees, Section 54-148 (b) needs to be amended. As indicated in my email sent Tuesday, June 14, 2016, Section 54-148 (b) does not contain the detail, specifics and authority contained in the defined contribution plan or the DROP, and if such is going to be continued needs to be amended to provide more specifics and/or more specific authority for the Board of Trustees/Retirement Committee to adopt rules and regulations or policies.

Thank you for the opportunity for me to review my previous emails and respond further.

City of Port Orange General employees Pensions Plan

Outstanding Mandatory and Voluntary Accounts for Retireds and Terminations

Mandatory Employee Contributions-DB Plan

Name	Termination Date	9/30/2015 Refund Due	Paid Out Date*
Amado Cotto	2/26/2014	$517.42	12/21/2015
Eleanor Coyne	11/5/2004	778.37	12/21/2015
Joshua Eddy	contrib. in error	88.02	Pending
Stephen Edwards	9/22/2011	20.45	12/21/2015
William Farley	10/14/2004	858.5	No Contact Info
David Ferguson	5/11/2007	2,442.25	No Contact Info
Randy Forbes	7/10/2015	577.26	10/6/2015
Charles Garay	7/12/2013	997.44	12/21/2015
Michael Leissler	7/14/2014	2,558.15	10/6/2015
William McCord	3/21/2014	22,155.26	Pending
Lee McFarland	8/28/2008	58.85	No Contact Info
Peter Petillo	5/1/2015	1,732.96	Pending
Chase Routte	7/18/2014	4,161.80	7/25/2016
Jeffrey Starr	11/5/2004	556.24	No Contact Info
Totals		$37,502.97	
Michael Bussey	2nd**	$3.49	Pending
Ronald Ferrer	2nd	166.14	12/21/2015
Timothy Sidler	2nd	93.06	Pending
Christopher Williams	2nd	56.99	Pending
Carla Wright	2nd	207.57	12/21/2015
Connie Young	2nd	8.3	Pending
Additional second payments due:		535.55	
Grand Total:		$38,038.52	

* Date participants were paid out of the plan since 9/30/2015

**2nd payments due to additional contributions deposited after termination calculation prepared

Voluntary Accounts

Name	Ret/ Term Date	9/30/2015 Account Balance	
John Diamond	TM-5/23/13	441.30	No Contact Info
James Foster	Ret-4/1/11	184,697.03	Pending
James Franklin	Ret- 6/28/13	232.40	Pending
Steven Levine	Ret-5/10/13	157,577.66	No Answer
Kevin Mouyard	Tm - 4/5/06	11,262.23	No Contact Info
John Shelly	Ret - 1/11/13	63,097.74	Not Decided Yet
Roger Smith	Tm-3/8/13	1,344.81	No Answer

Financials

June 2016 - Dave Leonard

City of Port Orange
General Employees Defined Benefit Retirement Plan

2015/2016 Cost and Market Summary - as of JUNE 30, 2016

Date	Cost Value Including Cash*	Market Value Including Cash*	Market value over Cost value
10/01/2015	$27,070,787.30	$28,806,017.49	$1,735,230.19
10/31/2015	27,139,632.35	30,030,998.12	2,891,365.77
11/30/2015	27,133,966.09	30,288,526.07	3,154,559.98
12/31/2015	27,182,248.53	29,889,231.33	2,706,982.80
01/31/2016	27,096,563.86	28,751,857.43	1,655,293.57
02/29/2016	27,100,500.76	28,628,572.95	1,528,072.19
03/31/2016	27,213,373.31	29,895,601.14	2,682,227.83
04/30/2016	26,927,330.62	29,858,229.36	2,930,898.74
05/31/2016	26,900,346.21	30,106,006.05	3,205,659.84
06/30/2016	26,974,287.56	30,135,486.98	3,161,199.42
07/31/2016			
08/31/2016			
09/30/2016			

Change in Market Value of Plan Assets (as of June 30, 2016):

Increase from 10/01/2015	$1,329,469.49	- annual
Increase from 6/01/2016	$29,480.93	- monthly

* Includes all accrued interest and dividends.

07/13/2016

Cash Accounts - Per First State Trust

Balance as of June 1, 2016			**$927,527.04**
Receipts:			
City Contribution		$79,395.99	
Mandatory EE Contributions		37,928.12	
Voluntary EE Contributions		2,464.55	
Sale-Securities (Cost Value)		774,317.87	
Gain (Loss) Sale of Securities		67,220.37	
Dividends		35,541.00	
Interest & Mutual Fund Reinv.		21,988.22	
Other - Writeoff Salem cash		0.00	
Total Receipts			$1,018,856.12
Disbursements:			
Securities Purchased - Equity (incl. Unit Trusts)		($566,466.90)	
Securities Purchased - US Govt. Oblig.		(22,631.25)	
Securities Purchased - Mortgage Backed Sec.		0.00	
Securities Purchased - Principal Real Estate Acct.		0.00	
Securities Purchased - Municipal/ Mutual Funds		0.00	
Securities Purchased - Corp. & Foreign Bond		(544,484.90)	
Advance Payment of Retirement Benefits (for July) *- Page 3 lists monthly payment applicable to current month*		($161,265.75)	
Payments to other Participants		$0.00	
*Catch up benefit payments due from missed payments			
Expenses		$0.00	
Admin/Actuarial Fees	$0.00		
Investment/Monitor Fees	0.00		
Custodian Fees/ Commissions	0.00		
Legal Fees	0.00		
Misc - Trustee school	0.00		
Total Disbursements			(1,294,848.80)
Balance as of June 30, 2016			**$651,534.36**

See pg. 5 for breakdown of cash holdings by account.

City of Port Orange
General Employees Defined Benefit Retirement Plan

Monthly Benefit Payments to Retired, Deceased and Disabled Participants - June, 2016

Barnhart, Betty	$3,758.64	McNulty, John	$980.89	Wilson, Judith K.	$2,506.31
Blackey, William	492.27	Milholen, Ellen	3,050.53	Wilson, Stephen (bene)	157.09
Bliven, Thomas	1,184.26	Miller, Lee	505.28	Wolf, Steven	2,679.15
Bowey, Janet	169.24	Monning, Linda (benef.)	1,445.22	Zdzinicki, Robert	399.90
Breaks, Robert	708.87	Norris, Annie (benef.)	2,155.45	Zurawski, Marceda	1,455.77
Cady, Anna	2,808.30	Oddie, William	2,726.69		
Ceribelli, Betty	1,130.74	Palmer, Roberta	3,673.00		
Chamberlain, Kathleen	803.75	Parker, Kenneth	5,508.77		
Conforti, James	611.91	Parsons, Janice	3,909.02		
Cooper, Michael	1,453.46	Peace, Michael	3,140.90		
Cover, Brent (benef.)	756.57	Pike, Warren & DeAnn	3,721.69		
Day, Robert	2,633.89	Potts, Wilford J.	1,040.28		
Dearborn, Dennis	1,409.73	Redfield, Rosemary	593.38		
Ellis, Alberta	893.52	Riley, Paul	3,116.61		
Findley, Cindy	423.80	Roberts, Veronica	1,015.38		
Foster, James	4,032.48	Rorem, Steve	1,648.52		
Franklin, James	3,805.31	Schulz, William (benef.)	739.04		
Fuhrman, Frank	3,320.02	Sheffield, Henrica	2,288.10		
Griffith, Fred	4,543.01	Shelley, John	4,595.68		
Grimm, Sandra	1,428.58	Sheridan, Linda	2,173.28		
Groom, Rebecca	2,457.09	Sheward, Thomas	2,202.38		
Groom, William	2,253.96	Shroyer, Terry	1,203.68		
Gurnee, Stella	1,321.01	Simmons, Thomas	2,507.28		
Hacker, Lea Ann	395.50	Skeens, Sandra (benef.)	1,763.20		
Hammons, Elizabeth	1,596.60	Smith, Glenn*	0.00		
Hill, Daniel	2,219.23	Sneddon, Margaret	1,904.74		
Hopkins-Peace, Krystal	1,586.62	Stefanick, Michael	56.07		
Huntt, Steven	2,793.36	Steinebach, Donna	4,907.78		
Kelly, Margaret	832.60	Stuhr, Donald	1,249.53		
Kelly, Shirley	3,469.66	Sutton, Robert	596.47		
Kincaid, Kathyrn	1,377.13	Taylor, Gerald	1,187.68		
Klimek, Frank	1,802.47	Termini, Jimmy (MPP)	871.00		
Koch, Michael	3,530.36	Towey, Robert (DROP)	3,563.43		
Kosuta, Christopher	1,851.28	Treon, Shirley	2,416.28		
Kucera, Christopher	3,239.20	Turner, Larry	1,463.71		
Leftwich, Glenda	1,033.35	Van Arsdale, Wayne	491.09		
Levine, Steven	2,579.16	Walker, Glenn	3,477.10		
MacDuffie, Ray	625.21	Walker, Russell	518.96		
May, Roger (ben Randall	775.98	Walsh, Thomas (MPP)	326.00		
McCurry, Dennis	2,517.57	Whitmarsh, Thomas (bene)	707.75		

Total Payments for Monthly Benefits:	$161,265.75
Total Refunds:	$0.00
Total Benefit Payments for May:	$161,265.75
Total in Pay Status: (includes 2 MPP participant)	84

* Deceased - beneficiary's payments to commence ASAP.

07/13/2016

Cash Account Reconciliation - continued

Securities Sold - June 2016

	Gain and Loss Summary	Cost Value	Proceeds	Gain(Loss)
HCC	Atmos Energy 300 sh	15,793.38	22,741.69	6,948.31
	Constellation 300 sh	26,991.03	46,665.69	19,674.66
	Delta Air 1600 sh	30,571.79	62,713.83	32,142.04
	Microsoft Corp 500 sh	22,166.00	24,240.57	2,074.57
	Quest Diag 500 sh	30,282.20	39,176.14	8,893.94
	Raytheon Comp 400 sh	38,784.88	52,770.48	13,985.60
BOST	Federated Inv 2,466 sh	77,682.89	74,300.78	(3,382.11)
	Home Depot 307 sh	27,300.70	38,471.39	11,170.69
	Mondelez 1,604 sh	56,886.31	66,836.23	9,949.92
	Priceline 15 sh	18,226.40	17,658.15	(568.25)
	Schlumberger 467 sh	48,568.10	35,522.98	(13,045.12)
	Tiffany & Co. 1,142 sh	83,023.75	68,444.55	(14,579.20)
	Delphi Auto 288 sh	20,195.62	17,000.93	(3,194.69)
Integrity	FNMA 3.5%, 8/26, 1.387k	1,387.10	1,317.13	(69.97)
	FNMA 3.0%, 10/21, 0.905k	904.57	867.95	(36.62)
	FNMA 4.5%, 8/30, 1.922k	1,921.88	1,765.22	(156.66)
	FNMA 3.0%, 9/22, 8.173k	8,172.92	7,710.30	(462.62)
	FNMA 3.5%, 8/25, 3.675k	3,674.50	3,473.17	(201.33)
	GNMA 3.0%, 11/26, 1.915k	1,914.55	1,836.77	(77.78)
	GNMA 4.5%, 10/24, 1.003k	1,002.53	925.06	(77.47)
	US Treasury 3.125% 8/44 35k	37,950.47	40,359.38	2,408.91
	PSI Energy 6.05%, 6/16 107.605k	107,605.10	100,000.00	(7,605.10)
	Western Atlas 8.55%, 6/24, 85k	113,311.20	116,739.85	3,428.65
Mut FD.		0.00	0.00	0.00
	Total Sales for Month	$774,317.87	$841,538.24	$67,220.37

MM sold for cash:	$813,361.06
Total Assets Disposed of: (per FS-Trust)	$1,654,899.30

Cash Account Reconciliation - continued

Securities Purchased

See attached pages from the various First State Trust Reports.

Cash Account Recap	beg. of month Jun. 1, 2016	end of month Jun. 30, 2016
Cash - Receipt/Disbursement Acct.	$253,208.69	$211,779.50
Cash - HCC Equity Acct.	186,915.03	203,102.27
- Cash due from/(to) Broker (HCC)	0.00	(35,985.95)
Cash - Boston Company Acct.	30,817.49	104,398.94
- Cash due from/(to) Broker (Bos.)	0.00	(18,095.08)
Cash - Mutual Fund Acct.	0.00	0.00
Cash - Integrity Fixed Acct.	315,249.58	262,143.53
- Cash due from/(to) Broker (Integ).	141,336.25	(75,808.85)
Total Cash	$927,527.04	$651,534.36

Asset Recap as of June 30, 2016

		Cost Value	*Market Value*
CASH	All accounts combined	$651,534.36	$651,534.36
BONDS	US Treasury Obligations	$162,644.87	$176,566.35
	US Government Obligations	945,359.96	945,910.51
	Corp. & Foreign Bonds	4,280,853.53	4,324,451.58
	Municipal Obligations	369,450.60	377,619.10
	Total Fixed Income (Integrity)	$5,758,308.96	$5,824,547.54
EQUITIES		$12,851,943.66	$14,174,175.76
INT'L EQUITY MUTUAL FUNDS		$2,274,693.09	$2,686,939.01
REAL ESTATE TRUST ACCOUNT (Prin.)		$3,200,000.00	$3,952,278.91
FLORIDA MUNI. INVEST. TRUST		$2,000,000.00	$2,608,203.91
PREPAID RETIREMENT BENEFITS		$161,265.75	$161,265.75
TOTALS BEFORE ACCRUALS		$26,897,745.82	$30,058,945.24
	Accrued Dividends	15,802.09	15,802.09
	Accrued Interest	60,739.65	60,739.65
	Other Accrual - Mut. Fund Acct.	0.00	0.00
TOTAL Acct. VALUE as of Jun. 30, 2016		**$26,974,287.56**	**$30,135,486.98**
	Receipt/Disb Acct.	*$211,779.50*	*$211,779.50*
	HCC Account	*6,558,519.74*	*6,998,659.72*
	Boston Company	*6,562,646.19*	*7,444,738.31*
	Mutual Fund Account - Int.	*2,274,693.09*	*2,686,939.01*
	Principal Real Estate Acct.	*3,200,000.00*	*3,952,278.91*
	Prepaid benefits - First St.	*161,265.75*	*161,265.75*
	Florida Municipal Invst. Trust	*2,000,000.00*	*2,608,203.91*
	*Integrity Financial Acct.**	*6,005,383.29*	*6,071,621.87*
	Total Account Check	*$26,974,287.56*	*$30,135,486.98*

* Market Value for Integrity account adjusted from First State Trust statement.

Cost and Market Value Reconciliation as of June 30, 2016

	Cost Value	*Market Value*
Values as of June 1, 2016	$26,900,346.21	$30,106,006.05
Contributions	119,788.66	119,788.66
Income Receipts	124,749.59	124,749.59
Change in Accruals	(9,331.14)	(9,331.14)
Benefit Payments	(161,265.75)	(161,265.75)
Admin. and Invest. Expenses	0.00	0.00
Unrealized Gain / (Loss)	0.00	(44,460.42)
Adjust to Balance	(0.01)	(0.01)
Values as of Jun. 30, 2016	**$26,974,287.56**	**$30,135,486.98**
Yield for the month (net of admin and invest. expenses)	0.43%	0.24%

City of Port Orange
General Employees Defined Benefit Retirement Plan

Monthly, Quarterly and Year-to-date Review of Investment Performance - 6/30/2016

	Fiscal Year	3rd Quarter	Current Month
Start	10/01/2015	04/01/2016	
End	09/30/2016	06/30/2016	June-16
Market Value - Start	$28,806,017.49	$29,895,601.14	$30,106,006.05
Contributions			
- City	554,745.70	186,740.79	79,395.99
- Mandatory 7.5%	302,021.49	97,185.79	37,928.12
- Voluntary EE	21,880.91	6,448.23	2,464.55
Other Income	6,175.76	(0.62)	0.00
Interest	189,259.03	66,501.08	21,988.22
Dividends	263,303.89	66,001.42	35,541.00
Realized Gains/(Losses)	363,378.29	86,229.91	67,220.36
Increase/(Decrease) in Unrealized Appreciation	1,425,969.23	478,971.59	(44,460.42)
Prior Accrued Interest	(67,798.52)	(72,799.71)	(85,872.88)
Current Accrued Interest	76,541.74	76,541.74	76,541.74
Payments to Participants	(1,660,385.80)	(729,309.38)	(161,265.75)
Administrative Expenses	(73,606.85)	(8,000.00)	0.00
Investment Expenses	(88,716.34)	(31,325.96)	0.00
Market Value - End	$30,118,786.02	$30,118,786.02	$30,135,486.98
Yield per 2i/(a+b-i)	7.3711%	2.2312%	0.2359%
i	*2,094,506.23*	*662,119.45*	*70,958.02*
2i	*4,189,012.46*	*1,324,238.90*	*141,916.04*
a+b-i	*56,830,297.28*	*59,352,267.71*	*60,170,535.01*
Contributions for period:	878,648.10	290,374.81	119,788.66
Bens/Exp. for period:	(1,822,708.99)	(768,635.34)	(161,265.75)
Net Cash Flow before income: (Vol. cons/ benefits included)	(944,060.89)	(478,260.53)	(41,477.09)

Changes In Investments

Investments Acquired	Brokerage	Cost Basis
Northern Instl Diversified Assets-SW The Amount Shown Is The Net Of Deposits For The Entire Period		451,881.02
Banc One Corp V-A 8.5300% 03/01/19 Purchased 65000 Par Value At 1.16629 Trade Date : 06/30/2016 Settlement Date : 07/06/2016 Broker: Baird, Robert W., & Company In	0.00	75,808.85
BNY Mellon 1.969% 06/20/17 Purchased 65000 Par Value At 100.808 Trade Date : 06/13/2016 Settlement Date : 06/16/2016 Broker: Goldman, Sachs & Co.	0.00	65,525.20
Catholic Health Initiative Purchased 15000 Par Value At 100.256 Trade Date : 06/03/2016 Settlement Date : 06/08/2016 Broker: Raymond James/Fi	0.00	15,038.40
CSX Transportation Inc 9.7500% 06/15/20 Purchased 30000 Par Value At 127.56 Trade Date : 06/14/2016 Settlement Date : 06/17/2016 Broker: Murphey,Marseilles,Smith & Mam	0.00	38,268.00
First Tenn Bank 2.9500% 12/01/19 Purchased 10000 Par Value At 100.234 Trade Date : 06/22/2016 Settlement Date : 06/27/2016 Broker: Bear, Stearns Securities Corp	0.00	10,023.40
Gen Elec Cap Crp Mtn 6.7500% 03/15/32 Purchased 20000 Par Value At 140.529 Trade Date : 06/14/2016 Settlement Date : 06/17/2016 Broker: Murphey,Marseilles,Smith & Mam	0.00	28,105.80
Lincoln Natl Crp 4.2000% 03/15/22 Purchased 45000 Par Value At 106.863 Trade Date : 06/03/2016 Settlement Date : 06/08/2016 Broker: Murphey,Marseilles,Smith & Mam	0.00	48,088.35

Changes In Investments

Investments Acquired	Brokerage	Cost Basis	
Met Govt Nashville & Davids 4.0530% 07/01/26 Purchased 10000 Par Value At 109.089 Trade Date : 06/15/2016 Settlement Date : 06/20/2016 Broker: Raymond James/Fi	0.00	10,908.90	
Stanley Black & Decker Inc 2.4510% 11/17/18 Purchased 70000 Par Value At 102.178 Trade Date : 06/22/2016 Settlement Date : 06/27/2016 Broker: Dean Witter Reynolds Inc	0.00	71,524.60	
Union Electric 6.4000% 06/15/17 Purchased 55000 Par Value At 105.3 Trade Date : 06/03/2016 Settlement Date : 06/08/2016 Broker: Bear, Stearns Securities Corp	0.00	57,915.00	
US Treasury N/B 3.125% 08/15/44 Purchased 20000 Par Value At 113.15625 Trade Date : 06/21/2016 Settlement Date : 06/24/2016 Broker: BNY ITC	0.00	22,631.25	
Wells Fargo & Company 3.450% 02/13/23 Purchased 120000 Par Value At 102.732 Trade Date : 06/17/2016 Settlement Date : 06/22/2016 Broker: Murphey,Marseilles,Smith & Mam	0.00	123,278.40	
Total Investments Acquired			**1,018,997.17**

Changes In Investments

Investments Acquired	Brokerage	Cost Basis
Northern Instl Diversified Assets-SW The Amount Shown Is The Net Of Deposits For The Entire Period		252,154.36
Apple Computer Inc Purchased 1100 Shares At 93.9024 Per Share Trade Date : 06/24/2016 Settlement Date : 06/29/2016 Broker: Merrill Lynch,Pierce,Fenner &	44.00	103,336.64
At & T Inc Purchased 200 Shares At 42.4378 Per Share Trade Date : 06/29/2016 Settlement Date : 07/05/2016 Broker: Merrill Lynch,Pierce,Fenner &	8.00	8,487.56
Citigroup Inc Purchased 200 Shares At 45.3202 Per Share Trade Date : 06/03/2016 Settlement Date : 06/08/2016 Broker: Knight Clearing Corporation	2.00	9,066.04
Citigroup Inc Purchased 600 Shares At 43.9136 Per Share Trade Date : 06/23/2016 Settlement Date : 06/28/2016 Broker: Instinet	30.00	26,378.16
Citigroup Inc Purchased 400 Shares At 42.4506 Per Share Trade Date : 06/30/2016 Settlement Date : 07/06/2016 Broker: Knight Clearing Corporation	4.00	16,980.24
Exelon Corp Purchased 2000 Shares At 34.7294 Per Share Trade Date : 06/24/2016 Settlement Date : 06/29/2016 Broker: Pershing	40.00	69,498.80
Jetblue Airways Corp Purchased 400 Shares At 18.0097 Per Share Trade Date : 06/02/2016 Settlement Date : 06/07/2016 Broker: Instinet	20.00	7,223.88

Changes In Investments

Investments Acquired	Brokerage	Cost Basis	
Jetblue Airways Corp Purchased 1200 Shares At 16.8586 Per Share Trade Date : 06/15/2016 Settlement Date : 06/20/2016 Broker: Merrill Lynch,Pierce,Fenner &	48.00	20,278.32	
Jetblue Airways Corp Purchased 100 Shares At 15.6159 Per Share Trade Date : 06/24/2016 Settlement Date : 06/29/2016 Broker: Knight Clearing Corporation	1.00	1,562.59	
Marathon Oil Corp Purchased 500 Shares At 15.0415 Per Share Trade Date : 06/21/2016 Settlement Date : 06/24/2016 Broker: Knight Clearing Corporation	5.00	7,525.75	
Pfizer Inc Purchased 300 Shares At 35.0605 Per Share Trade Date : 06/29/2016 Settlement Date : 07/05/2016 Broker: Dain Bosworth	6.00	10,518.15	
Verizon Communications Purchased 200 Shares At 54.5712 Per Share Trade Date : 06/27/2016 Settlement Date : 06/30/2016 Broker: Instinet	10.00	10,924.24	
Total Investments Acquired			543,934.73

Changes In Investments

Investments Acquired	Brokerage	Cost Basis
Northern Instl Diversified Assets-SW The Amount Shown Is The Net Of Deposits For The Entire Period		145,970.94
Bristol Myers Squibb Co Purchased 202 Shares At 71.01252475 Per Share Trade Date : 06/28/2016 Settlement Date : 07/01/2016 Broker: Dain Bosworth	3.03	14,344.53
ComcAst Corp-Cl A Purchased 535 Shares At 62.4042 Per Share Trade Date : 06/27/2016 Settlement Date : 06/30/2016 Broker: DTC 0229	21.40	33,407.65
Costco Wholesale Corp New Purchased 37 Shares At 155.2509 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Sanford Bernstein	0.31	5,744.59
Costco Wholesale Corp New Purchased 106 Shares At 156.3538 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Bt Alex. Brown Incorporated	4.24	16,577.74
Costco Wholesale Corp New Purchased 65 Shares At 155.6801 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Sanford Bernstein	0.55	10,119.76
Costco Wholesale Corp New Purchased 241 Shares At 156.4429 Per Share Trade Date : 06/17/2016 Settlement Date : 06/22/2016 Broker: Bt Alex. Brown Incorporated	9.64	37,712.38
Costco Wholesale Corp New Purchased 143 Shares At 157.4678 Per Share Trade Date : 06/21/2016 Settlement Date : 06/24/2016 Broker: Bt Alex. Brown Incorporated	5.72	22,523.62

Changes In Investments

Investments Acquired	Brokerage	Cost Basis
Costco Wholesale Corp New Purchased 131 Shares At 158.1634 Per Share Trade Date : 06/22/2016 Settlement Date : 06/27/2016 Broker: Bt Alex. Brown Incorporated	5.24	20,724.65
Paychex Inc Purchased 420 Shares At 54.0967 Per Share Trade Date : 06/27/2016 Settlement Date : 06/30/2016 Broker: Bear, Stearns Securities Corp	16.80	22,737.41
Paychex Inc Purchased 658 Shares At 55.34729483 Per Share Trade Date : 06/28/2016 Settlement Date : 07/01/2016 Broker: Bear, Stearns Securities Corp	26.32	36,418.52
Paychex Inc Purchased 272 Shares At 56.09709559 Per Share Trade Date : 06/29/2016 Settlement Date : 07/05/2016 Broker: Bear, Stearns Securities Corp	10.88	15,258.41
Superior Energy Svcs Inc Purchased 7 Shares At 17.9547 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Sanford Bernstein	0.06	125.74
Superior Energy Svcs Inc Purchased 65 Shares At 18.255 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Cl King & Associates	0.98	1,187.56
Superior Energy Svcs Inc Purchased 485 Shares At 18.1514 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Dain Bosworth	19.40	8,822.83

Changes In Investments

Investments Acquired	Brokerage	Cost Basis	
Superior Energy Svcs Inc Purchased 119 Shares At 18.218 Per Share Trade Date : 06/16/2016 Settlement Date : 06/21/2016 Broker: Dain Bosworth	4.76	2,172.70	
Superior Energy Svcs Inc Purchased 868 Shares At 18.8668 Per Share Trade Date : 06/17/2016 Settlement Date : 06/22/2016 Broker: Dain Bosworth	34.72	16,411.10	
Superior Energy Svcs Inc Purchased 74 Shares At 18.9637 Per Share Trade Date : 06/20/2016 Settlement Date : 06/23/2016 Broker: Dain Bosworth	2.96	1,406.27	
Superior Energy Svcs Inc Purchased 249 Shares At 19.2249 Per Share Trade Date : 06/21/2016 Settlement Date : 06/24/2016 Broker: Dain Bosworth	9.96	4,796.96	
Superior Energy Svcs Inc Purchased 217 Shares At 19.2877 Per Share Trade Date : 06/22/2016 Settlement Date : 06/27/2016 Broker: Dain Bosworth	8.68	4,194.11	
Total Investments Acquired			420,657.47

New Business

State Letter for Fund Actuary Valuation

FLORIDA DEPARTMENT OF MANAGEMENT SERVICES
retirement
We serve those who serve Florida

Bureau of Local Retirement Systems
P.O. Box 9000
Tallahassee, FL 32315-9000
www.frs.MyFlorida.com
Toll-Free: 877-738-5622 | Tel: 850-488-2784 | Fax: 850-921-2161

Rick Scott, Governor

Chad Poppell, Secretary

June 17, 2016

Ms. Donna Steinebach
Port Orange General Employees Defined Retirement
1000 City Center Circle
Port Orange, FL 32129

RE: City of Port Orange General Employees Defined Benefit Retirement Plan – October 2013 through October 2014

Dear Mr. Steinebach,

This is to notify you that the above referenced plan has been reviewed by a contract Enrolled Actuary for compliance with Part VII of Chapter 112, F.S. and Chapter 60T, F.A.C. Based upon the results of that review, we have determined the plan to be **state accepted**. By this letter, **all prior reports and actuarial impact statements** may likewise be considered to be **state accepted**.

Although the plan has been approved, there were items of interest noted during the review that should be addressed by your plan actuary for future reports. These items include the additional required information and clarifications listed on the attached page.

Please do not hesitate to contact our office if you have any questions.

Sincerely,

Keith Brinkman, Chief
Bureau of Local Retirement Systems
Florida Division of Retirement

Cc: Ms. Tracey Riehm, Finance Director
Mr. David G. Leonard, Actuary

Attachment

Attachment A

City of Port Orange General Employees' Defined Benefit Pension Plan
Items to Address in Future Valuation Reports

We recommend that the actuary improve future valuation reports as described below so that the reports meet all the requirements of Part VII, Chapter 112, Florida Statutes and related regulations.

1. The investment return assumption used in the October 1, 2013 and October 1, 2014 valuations was 7.50%. Based on the Plan's target asset allocation specified in item #4 in the notes to the financial disclosures per GASB 67 (55% domestic equities; 10% foreign equities; 30% domestic fixed income investments; 5% US direct real estate investments), the assumptions for long-term expected real rates of return specified in item #8 in the GASB 67 notes, and the inflation assumption of 2.25%, we consider an interest rate in the range of 6.50% to 7.00% to be a more reasonable expectation of the future long-term geometric average annual return.

   We recommend consideration be given to lowering the interest rate assumption for future valuations. {Regulation Section 1.003(6)}

2. Page 17 of the actuarial valuation report provides a summary of the retirement benefits (both normal and early), as well as the modified retirement benefits. However, it is not clear to us when the modified retirement benefits apply and when the benefits that are not modified apply.

3. While there is a reference to the Actuarial Standards of Practice regarding the need for more refined assumptions if they would not have a material difference on the results, we believe that consideration should be given to selecting a turnover assumption prior to retirement. Both the number of vested terminated members and the number of terminations in the past two years suggest that this could be a material assumption. Please consider using a turnover assumption or providing more evidence for it not having a material impact on the results of the valuation.

4. There is no disclosure relating to any benefit and expense provided by and/or paid from plan assets for which no liabilities or current costs have been established. {Regulation 1.003(4)(f)}

New Business

Allison Antenberg – Beneficiary of Deceased Retiree Margaret Sneddon Payment for Approval

FIRST STATE TRUST COMPANY - PENSION SET-UP/CHANGE FORM

PLAN NAME: City of Port Orange General Employees Defined Benefit Plan

A. Recipient Name Allison Antenberg **Social Security #** ______

Date of Death ______ **Start Date** 8-1-2016 **Account #** 70002129

Primary (P) Address:
Street: ______
City: ______
State: FL
Country: USA Zip: ______

Secondary Address: *(Bank Address)* *for ACH*
Line 1: ______
Line 2: ______
Street: ______
City: ______
State: ______
Country: ______ Zip: ______

For seasonal address changes, indicate dates for primary (P) and secondary (S) address: Start (P) ______ End (P) ______ Start (S) ______ End (S) ______

Mail Check to: ______ (P/S)
Mail Tax form to: X (P/S)

B. Payment Terms

Payment Reasons: *(Please check one)*
Normal (7)
______ Disability (3)
______ Early Distribution w/ Exception (2)
______ Early Distribution NO Exception (1)
X (4) Death Benefit as Beneficiary of:

Name: Margaret Sneddon
S.S. No. ______
Date of Death: 07/12/ 2016
Was Deceased Receiving Benefits? ______ (Y/N)

Pay Method: *(Please check one)*
(H) ______ Check mailed to participant
(A) ______ Check mailed to bank (w/Advice)
(D) X ACH Payment to Checking Account (w/ Advice)
(T) ______ ACH Payment to Savings Account (w/ Advice)

ACH Bank #: ______ **ACH Acct #:** ______
(A voided check must be attached to this form)

C. Payment Details

Pay Source:

	Amount To Pay	Begin Date	End Date
Taxable (Employer Contrib)	$1,494.07	8/1/2016	9/1/2017
Taxable (Employer Contrib)			
Employee Contributions			
Employee Contributions			
Other ______			
Gross Benefit	$1,494.07		

address update

D. Deductions

	Amount To Pay	Begin Date	End Date
Federal Tax Withholding*	W-4P	8/1/2016	9/1/2017
State Tax Withholding			
Life Insurance**			
Medical Insurance**			
Dental Insurance**			
Other ______			

* W4 must be attached if withholding is to be calculated using tax tables

** A mailing address must be provided.

E. Participant Info:

Participant Status:
(1) X Active (Receiving payments)
(2) ______ Active (Payments suspended)
(7) ______ Deceased

F. Special Check Info: (Retro check)

$ amount owed: $1,494.07

G. Authorized Signatures

Authorized Signature ______ **Date** ______ **Authorized Signature** ______ **Date** ______

Mei Fang

From: Dave Leonard [davelfla@aol.com]
Sent: Tuesday, July 12, 2016 3:10 PM
To: Carrizales, Heather; Mei Fang (Mei@benefits-usa.org); Dusty Buck
Subject: Re: Margaret Sneddon

Hi all -

Heather, our condolences on the death of your retiree.

Mei -

It appears that Margaret was receiving a 10 year certain and life annuity in the amount of $1,494.07, plus a supplemental benefit of $410.67.

Since her annuity started on October 1, 2007, her beneficiary is due monthly payments in the basic amount ($1,494.07) from August 1, 2016 until the last payment of September 1, 2017.

The supplemental benefit is life only and thus must stop immediately.

Please let me know if you have any questions or comments.

Best regards,
Dave

On 7/12/2016 2:41 PM, Carrizales, Heather wrote:

> Good afternoon all,
> I just found out that Margaret Sneddon passed away today. She retired back in 2007 and I believe she had the pension plan. Please let me know what you need from me. Thank you.
>
> Heather Carrizales
> Heather Carrizales, PHR, IPMA-CP, SHRM-CP
> Human Resources Manager
> City Of Port Orange
> 1000 City Center Circle
> Port Orange, FL 32129
> Phone: (386) 506-5561
> Fax: (386) 756-5290
> email: hcarrizales@port-orange.org
>
> ***Teamwork Makes the Dream Work!***
>
>

CITY OF PORT ORANGE GENERAL EMPLOYEES DEFINED BENEFIT PLAN

c/o Benefits USA, Inc.
3810 Inverrary Blvd., Suite 303
Lauderhill, FL 33319
TELEPHONE (954) 730-2068
TOLL FREE (800) 452-2454
FAX (954) 730-0738

BENEFICIARY DESIGNATION CERTIFICATE

TO: BOARD OF TRUSTEES

I Margaret Gnuddon hereby make the following BENEFICIARY designation for any survivor benefits due under the above Retirement Plan in the event of my death prior to retirement:

	NAME OF BENEFICIARY	RELATIONSHIP	D.O.B
Primary:	Allison Artenberg	Daughter	03-02-67
Contingent:	Dawn Ketelson	Daughter	03-29-73

If any designated beneficiary shall predecease me, the rights and interest of such beneficiary shall thereupon automatically terminate. If at my death there are no designated principal or contingent beneficiaries, then such benefit shall be payable as specified under the plan to my estate.

I reserve the right to change the designated beneficiaries at any time upon filing a new written request with the Board of Trustees. Updated requests, when received by the Board of Trustees, shall revoke any prior selection or designation of beneficiary. The consent of a beneficiary shall not be required to effectuate any change.

Margaret Gnuddon

Member Signature

City State Zip Code

Original received and effective from this 26 day of October, 2015

(one copy for Board of Trustees; one copy for member)

NOTE: Most recent signed BENEFICIARY designation form controls.

New Business

DROP Application and Payment for Thomas Troutman

FIRST STATE TRUST COMPANY - PENSION SET-UP/CHANGE FORM

PLAN NAME: City of Port Orange General Employees Defined Benefit Plan

A. Recipient Name Thomas Troutman **Social Security #** ______

Date of Death ______ **Start Date** 07-01-2016 **Account #** 70002129

Primary (P) Address:
Street: ______
City: ______
State: FL
Country: USA Zip: ______

Secondary Address: *(Bank Address) for ACH*
Line 1: ______
Line 2: ______
Street: ______
City: ______
State: ______
Country: ______ Zip: ______

For seasonal address changes, indicate dates for primary (P) and secondary (S) address: Start (P) ______ End (P) ______ Start (S) ______ End (S) ______

Mail Check to: ______ (P/S)
Mail Tax form to: X (P/S)

B. Payment Terms

Payment Reasons: *(Please check one)*
- X Normal (7)
- ______ Disability (3)
- ______ Early Distribution w/ Exception (2)
- ______ Early Distribution NO Exception (1)
- ______ (4) Death Benefit as Beneficiary of:

Name: ______
S.S. No. ______
Date of Death: ______
Was Deceased Receiving Benefits? ______ (Y/N)

Pay Method: *(Please check one)*
- (H) ______ Check mailed to participant
- (A) ______ Check mailed to bank (w/Advice)
- (D) X ACH Payment to Checking Account (w/ Advice)
- (T) ______ ACH Payment to Savings Account (w/ Advice)

ACH Bank #: ______ **ACH Acct #:** ______
(A voided check must be attached to this form)

C. Payment Details

Pay Source:	Amount To Pay	Begin Date	End Date
Taxable (Employer Contrib)	$3,333.25	7/1/2016	Life Annuity
Taxable (Employer Contrib)	$332.00	4/1/2016	Life Annuity
Employee Contributions			
Employee Contributions			
Other ______			
Gross Benefit	$3,665.25		

address update

D. Deductions

	Amount To Pay	Begin Date	End Date
Federal Tax Withholding*	DROP	7/1/2016	Max. 5 Years
State Tax Withholding			
Life Insurance**			
Medical Insurance**			
Dental Insurance**			
Other ______			

* W4 must be attached if withholding is to be calculated using tax tables

** A mailing address must be provided.

E. Participant Info:

Participant Status:
- (1) X Active (Receiving payments)
- (2) ______ Active (Payments suspended)
- (7) ______ Deceased

F. Special Check Info: (Retro check)

$ amount owed: $7,330.50

G. Authorized Signatures

Authorized Signature	Date	Authorized Signature	Date

THOMAS TROUTMAN - # FL113

PARTICIPANT'S ELECTION FOR DISTRIBUTION – With DROP BENEFITS

I have read the Your Rollover Options Notice and the Methods of Distribution Options explaining the options available to me as a participant in the CITY OF PORT ORANGE GENERAL EMPLOYEES EMPLOYEES EMPLOYEES PENSION PLAN. I will receive the benefits described in either Sections A or B, plus the supplemental benefit. I am guaranteed to receive my contributions and interest account - $64,422.89.

I understand these options and agree to have my pension benefits deposited into a DROP Account according to my directions. The following election of a benefit format is subject to my DROP election, which follows.

CHECK ONLY ONE BOX IN SECTION A or SECTION B
and COMPLETE DROP ELECTION OF PAGE THREE

You will receive the Supplemental Benefit regardless of your other selections.

[x] **Supplemental Benefit:** A monthly benefit of $332.00, beginning July 1, 2016, payable for the rest of your life. This benefit is in addition to the monthly benefit chosen below in Section A or Section B. (The value of this benefit is included in the relative value amounts shown below.)

A. REFUND OF GUARANTEED RCMA TRANSFER plus REDUCED ANNUITY PAYMENT:

Your RCMA transfer was $55,627.51. If you choose this option you will also receive a reduced monthly benefit as chosen below. Please select a monthly benefit that will be paid ***in addition to*** the above lump sum:

[ ] **Life Annuity:** a monthly payment of $2,783.11 for my lifetime only, beginning on July 1, 2016, plus a refund of my RCMA transfer of $55,627.51. (The relative value of this payment is $370,606.72)

[ ] **Ten Years Certain and Life Annuity:** a monthly payment of $2,574.93 guaranteed for my lifetime - or 10 years - whichever is longer, beginning on July 1, 2016, plus a refund of my RCMA transfer of $55,627.51. (The relative value of this payment is $370,606.72, or 100% of the Normal Form)

[ ] **Joint and Survivor Annuity:** a reduced monthly payment guaranteed to me and my spouse beginning on July 1, 2016, plus a refund of my MPP transfer of $55,627.51. The annuity will be for my lifetime and continuing to my survivor. (The relative value of this payment is $370,606.72, or 100% of the Normal Form)

CHECK ONE OPTION ONLY:

[ ]	$2,561.40	with 50% continuing to my spouse (relative value = 100%)
[ ]	$2,463.29	with 75% continuing to my spouse (relative value = 100%)
[ ]	$2,372.42	with 100% continuing to my spouse (relative value = 100%)

Participant Initial Page 1 benefit election: TT Dated: 06-01-16

PARTICIPANT'S ELECTION FOR DISTRIBUTION – With DROP BENEFITS

Continued

B. **ANNUITY PAYMENT (*no* refund of MPP/RCMA transfer):**

[X] **Life Annuity:** a monthly payment of $3,333.25 for my lifetime only, beginning on July 1, 2016. (The relative value of this payment is $370,606.72)

[ ] **Ten Years Certain and Life Annuity:** a monthly payment of $3,083.93 guaranteed for my lifetime - or 10 years - whichever is longer, beginning on July 1, 2016. (The relative value of this payment is $370,606.72, or 100% of the Normal Form)

[ ] **Joint and Survivor Annuity:** a reduced monthly payment guaranteed to me and my spouse beginning on July 1, 2016. The annuity will be for my lifetime and continuing to my survivor. (The relative value of this payment is $370,606.72, or 100% of the Normal Form)

CHECK ONE OPTION ONLY:

[ ]	$3,067.73	with 50% continuing to my spouse (relative value = 100%)
[ ]	$2,950.22	with 75% continuing to my spouse (relative value = 100%)
[ ]	$2,841.38	with 100% continuing to my spouse (relative value = 100%)

We have used Ms. Linda Troutman's date of birth.

Note: Relative Value Calculations in both section A and B have been made using 8% interest and the 83-GAM Male Mortality Table, and include the Supplemental Benefit.

Participant Initial Page 2 benefit election: TT Dated: 06-01-16

Please continue to Page 3 for further information concerning your DROP Election.

PARTICIPANT'S ELECTION FOR DISTRIBUTION – With DROP BENEFITS

Deferred Retirement Option Program (DROP) Election

By electing the DROP, I will continue working for the City of Port Orange while my elected monthly benefits are deposited into an account established in my name. If I choose to have my RCMA roll-in paid as a lump sum it will also be deposited into my DROP account until such time as I actually retire.

I understand that the election of the form of benefit is irrevocable once deposits have begun into my DROP account, and that death benefits will be paid in accordance with this election. If I die prior to receiving a distribution of my DROP account, it will be paid to my named beneficiary.

My DROP account will be administered by an individual or firm approved by the retirement committee.

Investments, and the fees for managing investments and administering the DROP account, are my responsibility. Niether the City, the trust fund, nor the retirement committee shall have any responsibility or liability for the DROP investments that I have selected.

[ ] Subject to the approval of the retirement committee, I am electing to enter DROP effective July 1, 2016, with my retirement date to be determined at some future point. I may remain in DROP up to five (5) years.

I direct that deposits into my DROP account be made as follows:

______________________________, as Custodian of
Name of Financial Institution

DROP Retirement Account FBO Thomas Troutman

____
Address of Financial Institution, Additional contact information as needed including phone number

PARTICIPANT ELECTION CERTIFICATION:

Social Security No.: ______________

Thomas C. Troutman
Participant Signature

____
Street Address

____
Witness Signature

____
City, State, ZIP

6/1/16
Date

Beneficiary Information:

Name ______________________________

Social Security Number ______________

Home Street Address PLEASE PRINT

City, State, Zip PLEASE PRINT

EXPLANATION OF JOINT AND SURVIVOR ANNUITY

Continued

CONSENT OF SPOUSE TO ELECT OUT OF JOINT AND SURVIVOR ANNUITY

I have read the Explanation of Joint and Survivor Annuity provided to my spouse. I understand that my spouse's election out of a Joint and Survivor Retirement Annuity may result in no benefits payable to me should my spouse die before me. I also understand that, without a restriction on my consent, my spouse may designate a person other than me to receive retirement benefits.

I acknowledge that my spouse may not elect out of the Joint and Survivor Annuity form of payment without my consent. Therefore, with an awareness of my rights to withhold or restrict consent, I hereby give my unrestricted consent to my spouse's election out of a Joint and Survivor Annuity form of retirement benefit and to the naming of any beneficiary which my spouse may choose.

I additionally acknowledge that by electing a DROP benefit, the Joint and Survivor Annuity benefit to which I am entitled has been modified with my consent.

Sharon K Deaton | Linda Troutman | 6/1/16

Plan Representative or Notary Public | Participant's Spousal Signature | Date

FLDL

SHARON K DEATON
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF088060
Expires 3/3/2018

CITY OF PORT ORANGE GENERAL EMPLOYEES DEFINED BENEFIT PLAN
APPLICATION FOR PENSION OR DISABILITY BENEFIT

Please be noticed that Each Plan participant is allowed one free retirement benefit calculation. Should the participant require an additional calculation, the participant will need to pay the full actuarial cost to the Pension Plan prior to the actuary preparing the calculation.

PLEASE PRINT OR TYPE:

1.a. Name of Employee: Troutman, (last) Thomas (first) Charles (middle)

b. Social Security Number:

c. Date of Birth: Date Employed: January 03, 1989

b. Last Department You Worked For: Public Utlities

e. Home Telephone Number: (386)

f. Personal Email Address:

g. Cell Phone Number: (386)

h. Home Address: (address and street)

(city, state, zip code)

i. Permanent Address To Which Correspondence Should Be Sent (if different):

2.a. Are you currently married: Yes X No

(If yes, complete the following for your spouse. If no, complete for your beneficiary.)

b. Name of Spouse/Beneficiary: Troutman, (last) Linda (first) Dianne (middle)

c. Social Security Number:

d. Date of Birth: Date of Marriage:

3. Contingent Beneficiary:

a. Name & Relationship: McMillen V, Harry Banfield

b. Social Security Number:

c. Address:

4. Type of Retirement For Which You Are Applying (check one):

___X___ Normal Retirement

_______ Early Retirement

_______ Service Incurred Disability

_______ Non-Service Incurred Disability

_______ Deferred Vested Termination

5. I plan to retire on: July 01, 2016 (The first day get in DROP)

If you are applying for a Disability Benefit:

a. Date disability commenced: __________

b. Nature and cause of disability: __________

c. Did your disability result from any of the following:

YES	NO	
____	____	(1) Use of drugs, intoxicants or narcotics?
____	____	(2) A fight, riot or civil insurrection?
____	____	(3) While you were committing a crime?
____	____	(4) From an injury or disease sustained while you were serving in the armed forces?
____	____	(5) After your employment with the City terminated?
____	____	(6) While working for someone other than the City and arising out of such employment?

NOTE: Records must be filed, including copies of a doctor's opinion, medical records and other documentation to show that the disability is total and permanent, and if application is made for a service-incurred disability, copies of workers' compensation records and other documentation must also be filed to show the disability occurred while performing service-related duties. Also, the Board of Trustees may require you to be examined by a doctor selected by the Board.

I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify me for benefits. I have reviewed the Designation of Beneficiary Form filed with the Board of Trustees and I hereby certify its accuracy. If I desire to change my designated beneficiary(ies), I will file a new Designation of Beneficiary Form with this application. This application revokes any prior applications.

(Witness' Signature)

Thomas C. Trantino

(Employee's Signature)

Date: 05-24-16

RETIREMENT CALCULATION FOR CITY OF PORT ORANGE
GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

	Thomas Troutman		**Act. Eq** **Greater than Direct**
	Date of Birth	09/05/1950	
	Date of Pension Eligibility	01/03/1989	
	Date of Participation	10/01/2003	
	Date of Calculation	06/30/2016	(DROP Entry)
	Normal Retirement Date	10/01/2015	
	Date of First Payment	07/01/2016	
	Salary History years ending 9/30 -		
	2015	$69,284.80	
	2014	67,267.20	
	2013	65,789.00	
	2012	64,633.45	
	2011	64,001.60	
	Total Salaries	$330,976.05	
(a)	Average Monthly Salary	5,516.27	
	Dates of Early Retirement		
	For Service	10/01/2015	
	For Late Retirement	07/01/2016	
(b)	Service	26.7500	
(b2)	Service Prior to 9/30/09	20.7500	- to 10/1/09
(c)	Accrued Benefit (a) x (b) x 2.12% (2.0% after 10/1/09)	3,088.56	
(d)	Actuarial Increase Factor	107.92%	
(e)	Deferred Retirement Ben. (c) x (d)	3,333.25	- July 1, 2016
(f)	Supplemental Benefit $16 x (b2)	332.00	
(g)	Total Accrued Benefit (e) + (f)	3,665.25	

Prior Plan Guarantee available Lump $55,627.51

Dusty L Buck
5/25/16

[signature]
5/25/16

RETIREMENT CALCULATION FOR CITY OF PORT ORANGE
GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

	Thomas Troutman		**Direct Calc.** **Less than Act. Eq.**
	Date of Birth	09/05/1950	
	Date of Pension Eligibility	01/03/1989	
	Date of Participation	10/01/2003	
	Date of Calculation	06/30/2016	(DROP Entry)
	Normal Retirement Date	10/01/2015	
	Date of First Payment	07/01/2016	
	Salary History years ending 9/30 -		
	2015	$69,284.80	
	2014	67,267.20	
	2013	65,789.00	
	2012	64,633.45	
	2011	64,001.60	
	Total Salaries	$330,976.05	
(a)	Average Monthly Salary	5,516.27	
	Dates of Early Retirement		
	For Service	07/01/2016	
	For Late Retirement	07/01/2016	
(b)	Service	27.5000	
(b2)	Service Prior to 9/30/09	20.7500	- to 10/1/09
(c)	Accrued Benefit (a) x (b) x 2.12% (2.0% after 10/1/09)	3,171.30	
(d)	Actuarial Increase Factor	100.00%	
(e)	Deferred Retirement Ben. (c) x (d)	3,171.30	- April 1, 2016
(f)	Supplemental Benefit $16 x (b2)	332.00	
(g)	Total Accrued Benefit (e) + (f)	3,503.30	

Prior Plan Guarantee available Lump $55,627.51

Dusty L Buck
5/25/16

Duchual
5/25/16

New Business

Probate Procedures

Mei Fang

From: James Loper [jloper@loperlaw.com]
Sent: Saturday, June 04, 2016 12:19 PM
To: pete@benefits-usa.org
Cc: 'Mei Fang'; Loraine Loper
Subject: FW: City of Port Orange General Employees Retirement Plan- Death Of Member With No Named Pension Beneficiary, SUPPLEMENT
Attachments: Missouri Retirement System Letter.pdf; Unclaimed Property Process for Accounts Payable.docx

Pete,

This supplements my email sent Friday, June 3, 2016 at 1:49 PM.

Attached is the City of Orlando "Unclaimed Property Procedure".

This document indicates that:

1. Dormancy Period. All property held by governmental agencies are reportable after one(1) year regardless of the property type. (Reference Section 717.113, Florida Statutes). Therefore, the unclaimed death benefits should be reported to the Florida Department of Financial Services, Bureau of Unclaimed Property, no later then one year after the death of the member.

2. Legal Responsibility. Unclaimed property must be reported to the state in which the owner's last known address was located. I assume that the deceased member resided in Florida at the time of his death.

3. Due Diligence. The holder of the account (retirement plan)shall conduct a search for the apparent owner with due diligence. A written notice is required to be sent to the apparent owner's last known address informing the apparent owner of the inactive account and for the apparent owner to respond to the notice. The owner of the death benefits is now the estate of the deceased member. Due diligence would include checking with the probate court in the county where the deceased member resided to see if a will of the deceased member has been deposited or if a petition for probate administration has been filed. Due diligence would also include mailing the "To whom it may concern" letter to the last known mailing address and email address of the deceased member. If the retirement plan does not already have the deceased member's certification of death, such should be obtained; and thereafter our notification letter should be sent to the informant who provided the information for the death certificate.

I hope this additional information is helpful.

James B. Loper
Attorney at Law
14502 N. Dale Mabry Hwy.
Suite 200
Tampa, Florida 33618
Phone: (813) 964-0577 ext. 3
Cell: (813) 787-4410
Fax: (813) 964-8867
Email: jloper@loperlaw.com

City of Orlando

Unclaimed Property Procedure

A. **Purpose** - Reconcile and report the unclaimed property for The City of Orlando in accordance with the Florida Department of Financial Services, Bureau of Unclaimed Property guidelines (www.fltreasurehunt.org).

B. **"Florida Disposition of Unclaimed Property Act" (Chapter 717, F.S.)** - The "Florida Disposition of Unclaimed Property Act" (Chapter 717, F.S.) requires all business and governmental entities holding intangible property owed to or owned by another to report and remit the funds if the property remains unclaimed for a certain period of time. The only tangible personal property accepted by the Bureau of Unclaimed Property (BUP) is items from safe deposit boxes in financial institutions. This property is presumed abandoned and subject to reporting to the State of Florida if, for longer than the applicable dormancy period:
   1. The location of the owner is unknown to the holder of the property; and,
   2. According to the knowledge of records of the holder, a claim to the property has not been asserted or an act of ownership of the property has not been exercised.

C. **Dormancy Period** - **All property held by courts and governmental agencies are reportable after one (1) year of dormancy regardless of the property type (ref: section 717.113, F.S.).**

D. **Legal Responsibility** - In 1965, U.S. Supreme Court Texas established the precedence of states' claims to unclaimed property in the *Texas* versus *New Jersey* decision. In accordance with the decision, unclaimed property must be reported to the state in which the owner's last known address was located. In the case of an unknown owner or an owner with no last known address. The property is to be reported to the holder's state of incorporation.

   Therefore adequate follow up is necessary as all 50 states and the District of Columbia have unclaimed property laws, but they are not all alike. Laws in some states include exemptions for certain industries or types of property. The principal differences generally lie in the length of the applicable dormancy periods and the reporting requirements.

E. **Reporting Requirements** - Annual reports and remittances of unclaimed property are due no later than **April 30th each year**. Checks should be made payable to the Florida Department of Financial Services. All Securities should be registered to the Florida Department of Financial Services. Non-compliance with these requirements can result in penalties and interest being assessed against the holder.

   The report must include all property that has gone unclaimed for the required dormancy period, as of the preceding December 31 (ex. an accounts payable check dated September 24, 2013, would reach its one year dormancy period on September

24, 2014, becomes reportable as of December 31, 2014, and be filled with the Bureau by April 30th, 2015).

F. **Penalties** – A $10 per day late filing penalty will be assessed for each day the holder's report is late or the failure to include in a report, information required by Chapter 717, Florida Statutes. The maximum penalty is $500. Interest may be charged on all property not reported or delivered within the time frame required by law. The interest will be calculated based on the total amount of property on the report. Interest is calculated daily from the due date until the Bureau receives the payment (rpt. amt. X .12/365 x days late). In addition, a $500 per day penalty may be assessed for each day for willfully not reporting all of the information required by Chapter 717, Florida Statues. The maximum penalty is $5,000 and 25% of the value of the property.

G. **Due Diligence** - Section 717.117(4), Florida Statutes, requires that for inactive accounts $50 or greater, the holder shall conduct a search for the apparent owner using due diligence. Due diligence means the use of reasonable and prudent methods to locate the apparent owners of inactive accounts. This search must be performed not more than 120 days and not less than 60 days prior to the due date of the unclaimed property report. A written notice is required to be sent to the apparent owner's last known address informing the apparent owner of the inactive account and for the apparent owner to respond to the notice. The holder should provide the name and contact information of the holder's staff person to whom the owner can contact if they have any questions. The due diligence letter **should not** contain any contact information for the state.

If the apparent owner's address is known to be a "bad" address, the holder must use, but is not limited to, a nationwide database, cross-indexing with other records of the holder, or engaging a licensed agency or company capable of conduction such search and providing updated addresses.

H. **Researching and reporting unclaimed property** – The following sections within the City of Orlando are responsible for identifying, researching and determining items to be included on the unclaimed property report. Follow-up should be done periodically.

   a. Accounting Operations – Laurie Nossair, Accounting Operations Manager
      i. Accounts Payable – Sonia Johnson, Accounting Section Manager (Payable)
      ii. Payroll – Donna Taylor, Accounting Section Manager (Payroll)
   b. Venues – Clyde Boutte,
   Venues Business Division Manager and Mark Smith Accountant III
   c. Parking – Pamela Corbin, Parking Administration Manager
   d. Risk – Karen Zito, Claims Supervisor and Raymond Scullian, Risk Manager.
   e. Family Parks & Recreations – Renee Jackson Fiscal Manager and Leonor Perdomo, Accounting Specialist

City of Orlando

I. Accounts Payable
   a. Obtain a list of all outstanding checks from Bank of America Cash Pro.

   b. Research each payment for the following before sending a due diligence letter to the vendor or employee:
      1) Duplicate payment
      2) Checks not cancelled on the bank but voided in WORKDAY
      3) Pick up checks not cancelled by the department. Send an email to the department that requested the payment inquiring about the check.
      4) Changes in supplier's mailing address

   c. For checks less than $50
      1) Employee's checks - send a due diligence letter to all active employees and give them 30 days to respond.
      2) Active employee with no response or lost check – place a stop payment on the check through Bank of America Cash Pro, void the check in WORKDAY, and reissue payment using their Direct Deposit information.
      3) If the employee lost the check - place a stop payment on the check through Bank of America Cash Pro, void the check in WORKDAY, keep the voucher open and reissue the check using previous backup.

      4) All other vendors or ex-employees - place a stop payment on the check through Bank of America Cash Pro, void the check in WORKDAY, keep the voucher open and change the supplier's alternate name to Florida Department of Financial Services. Place the document on hold until AP is ready to issue a final check to the State.

   d. For unclaimed checks greater than $50 that have been determined to be good (no double payment or other outstanding issues as listed above on item I - b) conduct a search for the apparent owner using due diligence as explained on item G above. If a written notification is sent,
      i. No response after 30 days - place a stop payment on the check through Bank of America Cash Pro, void the check in WORKDAY, keep the voucher open and change the supplier's alternate name to Florida Department of Financial Services. Place the document on hold until AP is ready to issue a final check to the State.
      ii. If vendor lost the check, place a stop payment on the check through Bank of America Cash Pro, void the check in WORKDAY, keep the voucher open and reissue the check using previous backup.
   e. Keep everything documented on the original check copy and attach all correspondence for audit purposes.

f. Send an email to the person preparing the Performance Measures for Accounts Payable stating the amount of checks voided and the reasons.

J. Payroll
   a. Obtain a list of all outstanding checks
   b. Research each payment
   c. Submit an excel spread sheet to the Accounts Payable Section Manager with a list of all the unclaimed property to be reported to the Florida Department of Financial Services. The submitted Excel file will include the Supplier or Employee Name, Address, Check Number, Check Date, Amount, Spend Category and Worktags.
   d. AP will be creating an Ad Hoc payment with the information provided. The Ad hoc will be placed on hold until we are ready to report the Unclaimed Property.
   e. Notify Financial Reporting when the check is issued, so they can void the checks.

K. Venues
   a. Provide a listing of outstanding checks, cancelled events and the amounts of tickets that are still outstanding to Laurie Nossair or Sonia Johnson.
   b. Submit an excel spread sheet to the Accounts Payable Section Manager with a list of all the unclaimed property to be reported to the Florida Department of Financial Services. The submitted Excel file will include the Supplier Name, Address, Check Number, Check Date, Amount, Spend Category and Worktags.
   c. AP will be creating an Ad Hoc payment with the information provided. The Ad hoc will be placed on hold until we are ready to report the Unclaimed Property.
   d. Notify Financial Reporting when the check is issued, so they can void the checks.

L. Risk
   a. Obtain a list of all outstanding checks
   b. Submit a stop payment request to Laurie Nossair or Sonia Johnson for amounts over $50.
   c. Research each payment
   d. Submit an excel spread sheet to the Accounts Payable Section Manager with a list of all the unclaimed property to be reported to the Florida Department of Financial Services. The submitted Excel file will include the Supplier Name, Address, Check Number, Check Date, Amount, Spend Category and Worktags.
   e. AP will be creating an Ad Hoc payment with the information provided. The Ad hoc will be placed on hold until we are ready to report the Unclaimed Property.
   f. Notify Financial Reporting when the check is issued, so they can void the checks.

M. Parking
   a. Obtain a list of all outstanding checks

b. Submit a stop payment request to Laurie Nossair or Sonia Johnson for amounts over $50.
c. Research each payment
d. Submit an excel spread sheet to the Accounts Payable Section Manager with a list of all the unclaimed property to be reported to the Florida Department of Financial Services. The submitted Excel file will include the Supplier Name, Address, Check Number, Check Date, Amount, Spend Category and Worktags.
e. AP will be creating an Ad Hoc payment with the information provided. The Ad hoc will be placed on hold until we are ready to report the Unclaimed Property.
f. Notify Financial Reporting when the check is issued, so they can void the checks.

N. Family Parks & Recreations
   a. Obtain a list of all outstanding checks
   b. Submit a stop payment request to Laurie Nossair or Sonia Johnson for amounts over $50.
   c. Research each payment
   d. Submit an excel spread sheet to the Accounts Payable Section Manager with a list of all the unclaimed property to be reported to the Florida Department of Financial Services. The submitted Excel file will include the Supplier Name, Address, Check Number, Check Date, Amount, Spend Category and Worktags.
   e. AP will be creating an Ad Hoc payment with the information provided. The Ad hoc will be placed on hold until we are ready to report the Unclaimed Property.
   f. Notify Financial Reporting when the check is issued, so they can void the checks.

O. Accounting Operations will issue the unclaimed property file along with the checks to the State of Florida.

Pete,

This email is in response to question 4 of your email sent Wednesday, May 25, at 3:39 PM. I have not responded earlier since I have been on vacation since Thursday, May 26, 2016.

The board members through you generally have inquired as to what should be done in connection with the death of a member with no surviving spouse and with no designated beneficiary, but in which pension benefits are owing.

Section 54-153, "Benefit other than on retirement" contains provisions for benefit payable in the event of death while in the service either on or prior to normal retirement date, or after normal retirement date.

Section 54-160, "Miscellaneous provisions regarding participants" provides that "Each participant on a form shall designate a beneficiary..."; and "If a deceased participant failed to name a beneficiary in the manner prescribed in the plan or if a beneficiary named by a deceased participant predeceases the participant, the death benefit, if any, shall be paid to the estate of such deceased participant; provided, however, that in any of such cases, the single-sum value of the remaining monthly income payments be paid in a lump sum."

Since this participant did not designate a beneficiary for pension benefits, any pension benefits that are owing must be paid to the estate of such deceased person. Payment to an estate can be done in two (2) different ways:

1. As a result of a probate court order called "Letters of Administration". This probate court order appoints a "Personal Representative" to administer the assets of the probate estate. The personal representative would deposit the pension check in the estate bank account set up by the personal representative as a result of the "Letters of Administration", and thereafter make distributions pursuant to applicable law. This is called formal probate administration and applies both to when there is a valid will and when there is not a valid will (or no will). If there is a valid will, the will sets forth the beneficiaries of the probate estate assets. If there is no will, the probate court determines who are the beneficiaries pursuant to Part I of Chapter 732, Florida Statutes, "Intestate Succession". Under formal probate administration, the check is payable to the "Estate of [name of deceased member]" or to "[name of personal representative] as the personal representative of the Estate of [name of deceased member]".

2. As a result of a probate court order called "Order of Summary Administration". This probate court order can be used under certain circumstances and directs the payor to pay a specified amount of money to a specified person or persons (separate checks). In other words, they probate court order determines and specifies who are the beneficiaries and the amounts payable to each of them. This order can be used when either there is a valid will or when there is not a valid will (no will).

Based on my understanding as to the amount of pension benefits owing, I do not recommend payment until receipt of "Letters of Administration" or "Order of Summary Administration". Some of my plans by administrative rule provide for payment of pension benefits without a probate court order when the amount owed is below a certain level and after completion of certain paperwork signed under penalty of perjury. In those cases, the plan, to save the beneficiaries in court costs and attorneys fees are determining who is entitled to the death benefits. I do not recommend such in this case based on my understanding of the amount of the death benefits and/or that the potential pension beneficiaries do not appear to be a surviving spouse or lineal descendents (children of the deceased member).Payment of the death benefits pursuant to a probate court order also protects the retirement committee from claims by others for the same death benefits. (See attached letter to one of my clients from the Public School and Education Employee Retirement Systems of Missouri requiring a probate court order before payment of death benefits).

In sum, I recommend that the retirement committee not make payment of the death benefits until receipt of a verified probate court order.

However, Section 54-167 provides that "In implementing the procedures and purposes of the plan, each fiduciary shall act in the interest of the participants and their beneficiaries..." The fiduciary duty includes the duty to investigate and to inform. Therefore, I recommend the following:

1. Check with the probate court in the county where the deceased member resided to determine if a will has been "deposited" with the court (Florida law requires that anyone in possession of the original of a will to deposit such within 10 days of learning of the death of the person(testator) who made the will); or if a petition for probate administration has been filed with the court.
2. U.S. Mail and e-mail a "To whom it may concern" letter to the last known address of the deceased member advising them of the amount of the death benefits and that the retirement committee requires a probate court order before payment can be made.
3. U.S. Mail and E-mail a letter to anyone we may think is a relative of the deceased member advising them of the amount of the death benefits and that the retirement committee requires a probate court order before payment can be made.
4. I would like authorization to prepare and send these letters. Sometimes a potential probate estate beneficiary does not undertake probate administration because there are outstanding creditors and the cost of probate administration (attorney's fees and court costs), thinking that they will not receive anything or little after such. However, pension benefits are exempt from claims of creditors pursuant to Florida Statutes Section 222.21 (2). My personal files include two(2) such Florida probate court orders involving pension benefits from the: 1. Public School and Education Employee Retirement Systems of Missouri (See attached letter from PSRS/PEERS to one of the decedent's sons) and 2. New York City Police Pension Fund.
5. Any notification letter sent should specify a deadline for receipt of a verified probate court order (Letters of Administration or Order of Summary Administration).I recommend that the deadline be six(6) months from the date of the notification letter. The notification letters would also state that if no such probate court order is received that the death benefits will be sent to the State of Florida pursuant to Chapter 717, Florida Statutes, as unclaimed property. After depositing the unclaimed death benefits with the State of Florida, any person who believes they are entitled to such death benefits could make a claim with the State of Florida. However, they will need a probate court order to support such claim.

I hope this email is responsive to the board's questions. If you or the board request further advice, please advise.

Pete Prior

From: James Loper [jloper@loperlaw.com]
Sent: Friday, June 03, 2016 1:49 PM
To: pete@benefits-usa.org
Cc: 'Mei Fang'; Loraine Loper
Subject: City of Port Orange General Employees Retirement Plan- Death Of Member With No Named Pension Beneficiary
Attachments: Missouri Retirement System Letter.pdf

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3. U.S. Mail and E-mail a letter to anyone we may think is a relative of the deceased member advising them of the amount of the death benefits and that the retirement committee requires a probate court order before payment can be made.
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I hope this email is responsive to the board's questions. If you or the board request further advice, please advise.

James B. Loper
Attorney at Law
14502 N. Dale Mabry Hwy.
Suite 200
Tampa, Florida 33618
Phone: (813) 964-0577 ext. 3
Cell: (813) 787-4410
Fax: (813) 964-8867
Email: jloper@loperlaw.com

Confidentiality Note

The information contained in this message may be legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this message is prohibited. If you have received this message in error, please immediately notify us by telephone at (813) 964-0577 or e-mail at jloper@loperlaw.com. Thank you.

Public School & Education Employee
PSRS/PEERS®
Retirement Systems of Missouri

January 29, 2010

RE: PSR18921; DA22566p

Mr. Kenneth [redacted]
[redacted]
Gaithersburg, MD 20877

Dear Mr. [redacted]

We have recently learned of the death of Eugene [redacted]' wife, Doris [redacted], which occurred on January 3, 2010. We wish to express our sincere sympathies to you and the rest of the family.

When Eugene [redacted] retired, he elected to receive his retirement allowance in accordance with the Option 1 as provided by law. Under the provisions of this plan, the same amount that was paid to him each month would be paid to the designated beneficiary, Doris [redacted], commencing with the month of January 2008. Since Ms. [redacted]' death occurred in the month of January 2010, the benefits due for the months of January 2008 through January 2010 that would have been payable to Ms. [redacted] ($28,676.25) are now payable to <u>her</u> estate.

In addition, Doris [redacted] was designated as the beneficiary to receive a one-time $5,000 lump-sum death benefit at the death of Eugene [redacted]. Because Ms. [redacted] passed away after the member, <u>her</u> estate is deemed to be the beneficiary.

To implement payment of these benefits, please submit the following:

- Copies of Death Certificates for both Eugene and Doris [redacted]
- Application for $5,000 Death Benefit (to be completed by court-appointed Personal Representative or Executor of Estate)
- Letters of Administration for Ms. [redacted]' estate as issued by the court or a notarized copy of that document

There are alternatives which may be followed when no estate is opened and/or when a person's estate is valued at less than $40,000. These alternatives include:

Address: P.O. Box 268, 3210 West Truman Blvd., Jefferson City, MO 65102; **Telephone Number:** (573) 634-5290; **Toll Free:** (800) 392-6848
FAX Numbers: Membership (573) 634-7934; Investments (573) 634-6248; Employer Services (573) 634-7911; Administration (573) 634-5375

www.psrs-peers.org

Refusal of Letters

Where an individual dies and no estate is opened, a court in Missouri may grant a "refusal of letters" in certain instances. §473.090 RSMo. Generally the estate must be less than $15,000, and the person applying must be a surviving spouse, unmarried minor child or certain creditors (including someone who paid funeral expenses and debts of the deceased). The refusal can be issued "at any time".

Where a refusal of letters is issued the person receiving the refusal can collect the property of the estate. Usually the probate clerks in the county where the decedent resided can assist in this process. They are specifically allowed to do so by statute §473.091 RSMo.

Small Estates

Where a person's estate is valued at less than $40,000 and no probate estate is opened, any person entitled to part of the estate distribution (called a distributee) may initiate a proceeding in Missouri under the small estate statute. §473.097 RSMo. This process involves an affidavit, publication (in some instances), a bond (unless waived by the court), and a certificate of the probate clerk. Generally, the process may be initiated after 30 days have elapsed after the decedent's death.

Once the process has been completed the person making the affidavit is entitled to collect the property of the estate. Probate clerks may in some instances assist with this process also, but the process is more complicated than the refusal of letters process, and there is no statute specifically allowing for such assistance.

If you have questions, please contact our office.

Sincerely,

Lindsay Ahart

Lindsay Ahart
Supervisor
Survivor Benefits & Refunds

LA/ jm
Enclosures

Consent Agenda

WARRANT NO. 115-16

For payment from the CITY OF PORT ORANGE GENERAL EMPLOYEES' DEFINED BENEFIT PLAN

TO: FIRST STATE TRUST COMPANY
A/C # 70002129

You are hereby authorized by the Board of Trustees of the City of Port Orange General Employees' Defined Benefit Plan to pay the amounts listed below for services rendered to the said Board of Trustees, and to pay the persons named below, hereby certified by the Board of Trustees:

NAME & ADDRESS	AMOUNT
Benefits USA, Inc. (Admin Fees 6-7/2016; INV #POG087)	$ 5,000.00
Integrity Fix Income Management (2nd Qtr '16 Mgmt Fees; INV #2024)	$ 3,801.57
Southeastern Advisory (Investment Consulting Services: INV #1602)	$ 4,784.00
Highland Capital Management (3rd Qtr '16 Mgmt Fees; INV #12815)	$ 8,736.27
David G. Leonard, A.S.A. (Actuarial Services: INV #16-027)	$ 4,650.00
James Loper (STMT #37 dated 04/01/16)	$ 799.50

Approved by the following members of the Board of Trustees this 25th day of July, 2016

Trustee

Trustee

BENEFITS USA, INC.
3810 Inverrary Blvd., Ste. 303
Lauderhill, FL 33319
(800)452-2454 / (954)730-2068

INVOICE

INVOICE NO.: POG087

Bill To:
CITY OF PORT ORANGE GENERAL EMPLOYEES' DEFINED BENEFIT PLAN

Date	Hours	Description	Unit Pr	Total
June 2016		Monthly Flat Fee		$ 2,500.00
July 2016		Monthly Flat Fee		$2,500.00

Fees	$ 5,000.00
Reimb.	$
Bal Due	$ 5,000.00

Integrity Fixed Income Management, LLC
651 Bryn Mawr Street
Orlando, FL 32804
(407) 481-2403

Invoice

Benefits USA, Inc.
Attn: Mei Fang c/o Port Orange General Employee Pension
3810 Inverrary Blvd., Suite 103
Lauderhill, FL 33319

Invoice # 2024

7/11/2016

Port Orange General Employee Pension
Statement of Management Fees
For Quarter Ended June 30, 2016

Date	Portfolio Value	Annual Fee	Quarterly Fee	# of Days Prorated	% of Quarter	Prorated Fee
6/30/2016	$6,082,509	$15,206.27	$3,801.57	91	100.0%	3,801.57
				91	**100.0%**	**$3,801.57**

Annual Fee Schedule
0.25% on balance

Quarterly Management Fee Due **$3,801.57**

SOUTHEASTERN ADVISORY SERVICES, INC.
Registered Investment Advisor

12 Piedmont Center, Suite 202
Atlanta, GA 30305
Phone 404 237 3156 Fax 404 237 2650

DATE: July 1, 2016
INVOICE # 1602
FOR: 2Q16

INVOICE

Bill To:
Mr. Pete Prior / Ms. Mei Fang
Port Orange General Employees' DB Fund
Benefits USA
3810 Inverrary Blvd, Ste 208
Lauderhill, FL 33319
cc: JRobinson@fs-trust.com

DESCRIPTION	AMOUNT
Performance Measurement and Related Investment Consulting Services Retainer Fee $19,139 Per Year (19,139 / 4 = $4,784) Invoice calculations are rounded to the nearest dollar Retainer fee increases based on CPI each calendar year	$4,784
TOTAL	$4,784

Please send your payment to:

Southeastern Advisory Services, Inc.
3495 Piedmont Road, NE Bldg 12-202
Atlanta, GA 30305

If you have any questions concerning this invoice, contact:
Jeff Swanson, 904 233 7600, jeff@seadvisory.com

Thank you for your business!

Highland Capital
MANAGEMENT, LLC

July 5, 2016

Invoice Number: 12815

MANAGEMENT FEE: PORT ORANGE EMPLOYEES' RETIREMENT SYSTEM VALUE

6/30/2016 Portfolio Value:		$ 6,998,659.72
Exclude Dividend Accrual		- 9,641.15
Billable Value		$ 6,989,018.57
Quarterly Fee Based On:		
$ 6,989,019 @ 0.50% per annum	$ 8,736.27	
Quarterly Fee:		$ 8,736.27
For the Period 7/1/2016 through 9/30/2016		
	Paid by Debit Direct	($ 0.00)
	Please Remit	$ 8,736.27

Wiring Instructions:

First Tennessee Bank

ABA# 084000026

Acct# 31-0251313

For Credit to: Highland Capital Management, LLC.

Mailing Check:

Highland Capital Management, LLC

6075 Poplar Ave, Suite 703

Memphis, TN 38119

David G. Leonard, A.S.A.
533 N. Nova Rd. - Suite 207
Ormond Beach, FL 32174
(386) 206-8932

Invoice

Date	Invoice #
7/12/2016	16-027

Bill To
City of Port Orange Kent Donahue, Chairman 1000 City Center Circle Port Orange, FL 32129

Our File Number:	FL-113

Item	Description	Qty	Rate	Amount
Trust Accounti...	Trust Accounting for 3rd FY Quarter ended June 30, 2016		2,500.00	2,500.00
FASB/GASB	Preparation of State of Florida additional disclosures and on-line filing		2,000.00	2,000.00
Dist	Refund calculations and paperwork - Mandatory (A. Long, M. McGeachy)	2	75.00	150.00

Total	$4,650.00

JAMES B. LOPER
ATTORNEY at LAW
14502 N. DALE MABRY HWY., SUITE 200
TAMPA, FLORIDA 33618
jloper@loperlaw.com
Phone: 813-964-0577
Fax: 813-964-8867

City of Port Orange Gen Employees Retirement Plan
1000 City Center Circle
Port Orange FL 32129

04/01/2016
ACCOUNT NO: 836-000M
STATEMENT NO: 37

ATTN: Pete Prior

Pension

INTERIM STATEMENT

		PREVIOUS BALANCE		$1,968.00
			HOURS	
01/28/2016	JBL	Reviewing letter from CPA Auditor; letter to CPA Auditor.	0.50	
02/23/2016	JBL	Reviewing e-mail re: reporting of contributions; begin research.	3.40	
		FOR CURRENT SERVICES RENDERED	3.90	799.50
		TOTAL CURRENT WORK		799.50
02/10/2016		FEE PAYMENT. THANK YOU. Check #41288		-1,968.00
		BALANCE DUE		$799.50

Mandatory Plan Distributions

LUMP SUM PAYMENT AUTHORIZATION

First State Trust Company, 2 Righter Parkway Suite 250 Wilmington DE 19803

Email completed form to: cashops@fs-trust.com

City of Port Orange General Employees Defined Benefit Plan 70002129

You are hereby authorized to make payment as outlined below:

Routte, Chase
Participant or Beneficiary Name (Last, First, M)

Social Security Number

SEND CHECK TO:

Address Line 1: **Rollover (Form attached)**

Address Line 2:_ ________________________________

Street: _______________________________________

City: ______________ State: _____ Zip Code: _________

PARTICIPANT TAX RECORD:

Street:

City: State: FL Zip Code:

Country: _________________ Birth Date: ____/___

Country: _________________

a. DISTRIBUTION AMOUNT:

Account No.	Investment Option	Amount
70002129	**C/D**	**$4,161.80**

e. Tax Form Type: ____

f. 1099-R Category of Distribution: _____

g. Federal Tax Method: ____ Federal Tax % (if Method P): ____

h. State Tax Amount: ____ State: ___

$______________ Employee after Tax Contribution

TOTAL AMOUNT **$4,161.80 (Rollover)**

b. DEDUCTIONS: Federal Tax $ **$ 0.00**

State Tax $ ___________

c. Distribution Type: ___ Benefit Type: Voluntary Contribution Refund

d. Is this distribution exempt from mandatory 20% withholding? Yes ___ No ___

☐ The initials in the box to the left authorize you to act on these instructions. Original will not follow.

Mei Fang	**954-730 2068 Ext.201**	07/25/2016	X	__/__/__
Prepared by	Phone Number	Date	Authorized Signature	Date

Special Mailing Instructions: ______________________________

X ________________________ __/__/__
2nd Authorized Signature (if applicable) Date

City of Port Orange General employees Pensions Plan

Outstanding Mandatory and Voluntary Accounts for Retireds and Terminations

Mandatory Employee Contributions-DB Plan

Name	Termination Date	9/30/2015 Refund Due	Paid Out Date*
Amado Cotto	2/26/2014	$517.42	12/21/2015
Eleanor Coyne	11/5/2004	778.37	12/21/2015
Joshua Eddy	contrib. in error	88.02	Pending
Stephen Edwards	9/22/2011	20.45	12/21/2015
William Farley	10/14/2004	858.5	No Contact Info
David Ferguson	5/11/2007	2,442.25	No Contact Info
Randy Forbes	7/10/2015	577.26	10/6/2015
Charles Garay	7/12/2013	997.44	12/21/2015
Michael Leissler	7/14/2014	2,558.15	10/6/2015
William McCord	3/21/2014	22,155.26	Pending
Lee McFarland	8/28/2008	58.85	No Contact Info
Peter Petillo	5/1/2015	1,732.96	Pending
Chase Routte	7/18/2014	4,161.80	7/25/2016
Jeffrey Starr	11/5/2004	556.24	No Contact Info
Totals		$37,502.97	
Michael Bussey	2nd**	$3.49	Pending
Ronald Ferrer	2nd	166.14	12/21/2015
Timothy Sidler	2nd	93.06	Pending
Christopher Williams	2nd	56.99	Pending
Carla Wright	2nd	207.57	12/21/2015
Connie Young	2nd	8.3	Pending
Additional second payments due:		535.55	
Grand Total:		$38,038.52	

* Date participants were paid out of the plan since 9/30/2015

**2nd payments due to additional contributions deposited after termination calculation prepared

Voluntary Accounts

Name	Ret/ Term Date	9/30/2015 Account Balance	
John Diamond	TM-5/23/13	441.30	No Contact Info
James Foster	Ret-4/1/11	184,697.03	Pending
James Franklin	Ret- 6/28/13	232.40	Pending
Steven Levine	Ret-5/10/13	157,577.66	No Answer
Kevin Mouyard	Tm - 4/5/06	11,262.23	No Contact Info
John Shelly	Ret - 1/11/13	63,097.74	Not Decided Yet
Roger Smith	Tm-3/8/13	1,344.81	No Answer