CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN
QUARTERLY MEETING MINUTES
February 27, 2017

ROLLCALL:

The meeting of the City of Port Orange General Employees Retirement Plan was called to order by Vice-Chair Peter Ferreira at 2:00 p.m. on February 27, 2017 in the Council Chambers, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:

Vice-Chair Peter Ferreira, Lori Young, (Jake) Johansson, Tracey S. Riehm, Lynn Hadley

ABSENT AND EXCUSED:

Linda Johnson, Scott Stiltner

OTHERS PRESENT:

Pete Prior of Benefits USA, Inc; David Leonard and Dusty Buck, Actuary

PARTICIPANT/PUBLIC PARTICIPATION:

None at this time

APPROVAL OF MINUTES

January 23, 2017 – Meeting

Vice-Chair Peter Ferreira asked the Members if they have any issues with the minutes, corrections, additions, or deletions. Member Riehm moved to approve the minutes of January 23, 2017 meeting as written. Member Young seconded the motion and the motion passed.

UNFINISHED BUSINESS

Audit Concerns Policy and Procedures

Administrator Pete Prior reported that he made the changes requested by the Board at the last meeting. Mr. Prior asked the Board if they have any further concerns and hearing and seeing none, Member Young moved to approve the General Policy Manual. Member Riehm seconded the motion and the motion passed.

FINANCIALS:

January 2017 – David Leonard

Actuary David Leonard reviewed the financials with the Board. It was noted that the market value of the Fund is $31,114,897.05, an increase of $376,977.33. Receipts for the month totaled $1,631,770.77 versus total disbursements of $1,228,592.95. Payments to retirees and other participants totaled $196,757.46. The balance as of January 31, 2017, was $1,126,595.83 in the Cash account. Mr. Leonard reported that the yield for the month is 0.35%.

Member Johansson moved to accept the January report as provided. Member Hadley seconded the motion and the motion passed.

October 1, 2016 Draft Valuation Report - Dave Leonard

Mr. Leonard addressed the Board and provided a draft copy of the October 1, 2016 Valuation Report which is being reviewed by his peers.

Mr. Leonard reported that October 1, 2016 valuation was prepared on a group of 126 active members, a decrease of six from 2015. The shift in the Plan membership weighting to the "new" Plan formula has continued as the percentage of active members under the new plan increased from 13.6% to 18.3%. The pre-2012 Plan actives decreased by eleven and now stand at 103. The new Plan population gained 5 active members through a combination of terminations and new entrants, that totals 23 actives.

For the October 1, 2016 valuation, the Fund reduced the interest rate assumption from 7.5% to 7.0% to better reflect current and anticipated future investment conditions. For funding purposes, this change will be phased in over a three-year period. The change in interest rates increased the recommended contribution for the 2017-2018 fiscal year to 17.30% of covered payroll, which is an increase from the 2015 valuation recommendation of 15.51%.

The 2015-16 trust asset return was 10.1%. Gains from the asset performance increased the funded percentages by about 2.0%. In valuation cost calculations, this year's gains are combined with prior years' losses and smoothed out over five years. This produced a valuation yield for the year of about 7.65%. This produced modest actuarial gains of just over $441,000, which decreased the recommended contribution by about $4,000.

Note that for the GASB reporting, the change in interest rates to 7.0% cannot be phased in, and thus is being recognized for 2016. Even so, the other factors mentioned above such as trust asset performance and participant experience combined to help maintain the GASB-67 funded ratio this year- just a slight decrease from 81.9% to 81.6%.

Member Riehm asked how the early retirement will influence the Funds? And how many members were retired early from this Pension Fund? Mr. Leonard said he needs to do another study and bring a report for the next meeting. Member Ferreira move to approve the October 1, 2016 DRAFT Valuation Report. The motion was seconded by Member Johansson and the motion passed. Mr. Leonard stated he will complete a final review for October 1, 2016 Valuation Report and GASB 67&68, and present the reports at the March meeting.

NEW BUSINESS:

Joaquin De Sousa – Early Retirement Payment for Approval

Vice-Chair Peter Ferreira reviewed the documents reflecting the retirement payment for Mr. Joaquin De Sousa. Member Johansson moved to approve the retirement payment for Mr. De Sousa. Member Ferreira seconded the motion and the motion passed.

Vendors' Performance Review List

Administrator Pete Prior reported that the Vendors' List was included in this meeting packets by Board's requirement. The Board reviewed the List and gave suggestions to revise the List. Mr. Prior said he would do so and bring the revised List back to March Meeting.

Member Riehm made a motion to table the Vendors' Performance Review List to the next Board Meeting, Member Johansson seconded the motion and the motion passed.

CONSENT AGENDA:

For Approval:

Warrant#121

Benefits USA, Inc. (Admin Fees 02/2017; INV #POG093)	$ 2,500.00
Highland Capital Management (1st Qtr. 2017 Mgmt. Fees; INV #14248)	$ 8,119.22
The Boston Company (4th Qtr. 2016 Mgmt. Fees; INV #79529)	$ 8,677.01
David G. Leonard & Associates, Inc.	$ 1,400.00

Member Johansson moved to approve Warrant #121. Member Young seconded the motion and the motion passed.

DISTRIBUTIONS:

Mandatory Plan

Dallas Trayer	Total Withdrawal	$330.25

After reviewing the distribution paperwork provided Member Johansson moved to approve the distribution for the above. Member Ferreira seconded the motion and the motion passed.

REPORTS:

Comments from Committee Members

Vice-Chair Peter Ferreira asked if there is a way to educate Members how to read and understand their annual statements. The common concern from Active Members is how much they will receive after they retired. After further discussion, Vice-Chair Peter Ferreira suggested that perhaps Mr. Leonard provide or make a video explaining to the City employees on how to read and understand their annual benefit statements. Mr. Leonard said he will consider it.

NEXT MEETING DATE:
March 27, 2017 – Quarterly Meeting

ADJOURNMENT:
The meeting adjourned at 2:58 p.m.

Linda Johnson
Chairperson

Mar 27, 2017
Date