CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Thursday, March 03, 2022, 4:30 PM

Members Present:	Kyle Crider Jonathan Foley Joe Meeske, Secretary Jim Reardon, Chairman Chris Taylor
Plan Administrator:	Julie Enright
Plan Attorney:	Pedro Herrera, Via Conference Call
Consultant:	Frank Wan, Burgess Chambers & Associates (BCA), Performance Monitor, Via Conference Call Doug Lozen, Actuary

CALL TO ORDER/DETERMINATION OF A QUORUM

The meeting was called to order at 4:22 PM. There was a quorum with five members present.

APPROVAL OF MINUTES – Quarterly Meeting, November 16, 2021

Member Foley moved to approve the quarterly minutes of November 16, 2021; the motion was seconded by Secretary Meeske and passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wan, Burgess Chambers (BCA), Performance Monitor, quarterly report December 31, 2021
Mr. Wan presented the December 31, 2021 total fund investment performance report. He reviewed the performance of the Plan noting that the 12/31/21 quarterly fund return was 3.9%. The fund value as of 09/30/21 was $41,773,138 and the fund value as of 12/31/21 was $43,357,240. Fiduciary large cap is beginning to outperform, Pollen is a good balance to Fiduciary - when one is down the other increases. Real Estate helps diversify Fixed Income. BCA will monitor emerging markets.

Consensus of the Board is to move New Business, item 3, Presentation/consideration of custodian bank services (PNC), Salem Trust and First State Trust.

1. PNC Bank – Andrew Gellitin, Joyce Frederick and Tina Spagnolo via conference call. Utilizing the current services of PNC for them to keep doing the data entry the fee would increase to $25,000; however, PNC is requesting that all clients move to the I-Hub on-line system. The I-Hub provides security and assures all the funds in the plan are secure and provides on line reports. The on-line portal would require the Plan Administrator to enter the data in their system. Discussion ensued regarding cybersecurity.
   Member Taylor left the meeting.

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2. Salem Trust – Mark Rhein
   Mr. Rhein discussed fee structure options for Salem Trust
   - Unbundled fee, 2.5 basis points of market value of assets (approximately $10,000), $10 ea invoice payment, $3 for recurring monthly payments and $15 ea lump sum; $5 investment transactions and $25 wires OR
   - Inclusive fee of 3.5 basis points includes all services (approximately $15,000)

   Optional services not inlucded in fees: class action 12%, overnight $35 per package, global tax 5%, retiree on-line portal available
   Price protection for 2-3 years
   Transfer would take 45-60 days to implement. Use of an excel spreadsheet to transfer data.
   Includes death audits, on-line access for retirees

3. First State Trust – James Robinson
   Mr. Robinson discussed fee structure for First State Trust
   Flat fee of $18,225 (with other Port Orange Plans using First State Trust). First State uses Northern Trust Bank. Included is a quarterly death audit, on-line access for retirees, Trust link for monthly statement download. Transfer of assets would use City bank, waiver of check fees and 2-year guarantee.

Discussion ensued regarding the three banks and their offering of services to the plan. Consensus of the Board is to stop using PNC. Further discussion regarding Salem Trust noting that it is not a flat rate fee, but they are a Florida firm. Consensus of the Board is to use First State Trust because they are the same entity other Port Orange plans are using.

Member Meeske moved to transition from PNC to First State Trust; the motion was seconded by Member Foley and passed unanimously.

Proposed transition date is June 1, 2022. Plan Administrator will check with First State to confirm transition date to allow 3 full months. Board Attorney will prepare Agreement with First State and Plan Administrator will draft a letter to PNC for the Chairman's signature.

Member Crider left the meeting

Pedro Herrera, Plan Attorney
1. Discussed proposed legislation
2. Advised Division of Retirement training is cancelled
3. FPPTA Annual Conference is June 23-26

Doug Lozen, Plan Actuary
See New Business Item 1. Consideration/Approval of the Actuarial Valuation below.

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Julie Enright, Plan Administrator

A. PNC retiree death audit – no deaths reported by custodian bank
B. Submitted the annual report of investment activity for FY 2020/2021 to the City
C. Submitted Fiscal Year 2020/2021 detailed accounting report to the City for posting and to the members via Department posting
D. Requested from Actuary and distributed to DROP members annual interest statements
E. Next meeting scheduled for May 16

NEW BUSINESS

1. Consideration/approval of the Actuarial Valuation
   Actuary Lozen presented the actuarial valuation report to the Board. The City funding requirement for this year 09/30/2022 is 75.5% of payroll, and next year 09/30/2022 is 79.7% of payroll. The rate of return after a 4-year smoothing is 9.6% and funded status is 71%. Plan changes that impacted the report are the 3% multiplier and pensionable earnings; and the grievance settlement regarding supplemental benefits.
   Member Meeske moved to accept/approve the actuarial valuation report as presented; the motion was seconded by Member Foley and passed unanimously.
2. Declare expected rate of return for this year, the next several years and the long term for submittal to the State and the City
   Member Foley moved based on the Actuary's recommendation to declare 7.25% as the expected rate of return for this year, the next several years and the long term; the motion was seconded by Member Meeske and passed unanimously
3. Presentation/consideration of custodian bank services (PNC Bank)
   Salem Trust, First State Trust
   Consensus of the Board to move this item to Reports above.

OLD BUSINESS - None

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS AND DEPOSIT

1. Sugarman & Susskind, Professional Services dated 1/21/22 **$2,125.00**
2. PNC fees for custody, quarter end 12/31/21 **total fees $5,085.**
3. Fiduciary Management Inc. 12/31/21 quarterly fee in the amount of **$10,833**
4. Burgess Chambers, Performance Monitor, 2/1/22 quarterly fee **$16,258.96**
5. SSI, quarterly fee, 12/31/21 quarterly fee - **$8,824.00**
6. American Realty Advisors – 12/31/22 quarterly fee -**$5,335.30**
7. Integrity Fixed Income Management – 12/31/21 quarterly fee in the amount of **$5,377.86**
8. Julie Enright, Professional Services - **$7,638.48** (quarterly administration fees paid for November, December, January); mileage and copy charges in the amount of $65.65
9. Polen Capital Management quarter end 12/31/21 in the amount of **$6,976.37**
10. Foster & Foster, actuarial services dated 1/28/22 in the amount of **$20,577.00**

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11. Distribution of annual COLA'S for December, January, February to: Amos, Burgman, Shelton, Whalen, Ballinger, Calache, Campbell, Crouch (one-time payment), Dickerson, Ferda, Jania, Kinnamon, Miller, Price, Robertson, Sedacca, Staley, W. Vola, Weber, Whitaker, Wilds, Carrasquillo, Fast, Hodgins, Hooker, Jennetten, Traster
12. Stop payment Betty Vola 1/1/22
13. Contribution refunds Pollard and Cid

Member Meeske moved to approve Ratification: Disbursements/Return of Contributions and Deposit and Retirements as presented above; the motion was seconded by Member Foley and the motion carried.

STAFF REPORTS, DISCUSSION, AND ACTION - None

TRUSTEES' REPORTS, DISCUSSION, AND ACTION

REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; meeting adjourned at 6:40PM.

Respectfully Submitted:

Julie Enright

Julie Enright, Plan Administrator

Approved:

~~Jim Reardon, Chairman~~
Joe Meeske, Secretary