

**CITY OF PORT ORANGE**  
**FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING**  
**MINUTES**  
**Monday, November 21, 2022, 4:30 PM**

**Members Present:** Joe Meeske, Secretary  
William Crider  
Jonathan Foley  
**Plan Administrator:** Julie Enright  
**Plan Attorney:** Pedro Herrera, Via Conference Call  
**Consultant:** Frank Wan, Burgess Chambers & Associates (BCA), Performance  
Richelle Cook, American Realty

**CALL TO ORDER/DETERMINATION OF A QUORUM**

The meeting was called to order at 4:30 PM. There was a quorum with three members present.

**APPROVAL OF MINUTES** – Quarterly Meeting, August 15, 2022 and Disability Hearing 8/15/22  
*Member Foley moved to approve the quarterly minutes and Disability Hearing of August 15, 2022; the motion was seconded by Member Crider and passed unanimously.*

**REPORTS (ATTORNEY/CONSULTANTS)**

**Mr. Frank Wan, Burgess Chambers (BCA), Performance Monitor, quarterly report September 30, 2022**  
Mr. Wan presented the September 30, 2022 total fund investment performance report. The fund value as of 06/30/22 was \$36,014,472 and the fund value as of 09/30/22 was \$34,733,500. He reviewed the performance of the Plan noting that the fund was -4.0% quarter to date and -16.8% fiscal year to date. Noted that yield was inverting indicating the probability of a recession in the next two years. Commercial real estate buildings are at 80% rented. American Realty was the only fund with a positive return.

**American Realty – Richelle Cook**

Ms. Cook presented the investment strategy for American Realty, currently they have 89 investments and 262 buildings. They are looking into investing in self-storage where, on average, the units are 93.8% leased.

Mr. Wan noted that the plan's investment in American Realty is overweighted as the maximum investment per the investment policy which is 7%, and recommended \$868,000 rebalance and Board authorize to get in cue to rebalance.

*Member Foley moved to approve moving \$2 million from American Realty to Fixed Income, the motion had no second.*

*Member Foley moved to approve moving \$868,000 from American Realty to Fixed Income; the motion was seconded by Member Crider.*

Discussion ensued, Mr. Wan noting FMI \$6 million in holdings and recommended \$2 million moved immediately to fund index exposure and authorize BCA to transfer \$1 million before next Board meeting to Fidelity 500 Index (which makes the fund more core). Discussion ensued. Member Foley suggested \$500,000 moved now and BCA has the ability to transfer.

*Member Foley moved to approve moving \$2 million from Fidelity Large Cap Fund to Fidelity 500 Index and authorize BCA to transfer \$1 million before the next Board meeting; the motion was seconded by Member Crider and passed; Member Crider voted No.*

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**Pedro Herrera, Plan Attorney**

1. State Ethics Board laws – gifts of \$25 or less can be kept; \$25-\$100 must be reported by the entity that gives the gift; \$100 and more reject or donate the gift and report.
2. Sugarman donated \$25 to Red Cross. Consensus of the Board is to approve donation.
3. Educational opportunities reported

**Julie Enright, Plan Administrator**

- A. Retiree death audit – no deaths reported by custodian bank
  - B. Submitted annual FY 2022/2023 budget to City and posted for members
  - C. Actuarial Valuation data was requested by Foster & Foster to the City for completion of the annual report
  - D. Rebalance based on receipt of State money, transferred \$300,000 to Fidelity 500 Index Fund
  - E. Terms of office expiring 12/31/22 for Kyle Crider (elected member) and Reed Foley (Council appointed – on council agenda for December 6)
  - F. FPPTA Trustee School scheduled for January 29-February 1 and Division of Retirement Police Officers and Firefighters annual conference December 13-15
- Proposed meeting schedule for 2023 (February 27, May 15, August 21, November 20)  
*Member Foley moved to approve Board meeting schedule; the motion was seconded by Member Crider and passed unanimously.*
- G. Next meeting scheduled for February 27

**New Business**

Consideration/approval of detailed accounting of paid administrative expenses during Fiscal Year 2021/2022 for submittal to the City and availability to Plan members (and actuary for the Division of Retirement with the Annual Report)

*Member Foley moved to approve the detailed accounting of paid administrative expenses during Fiscal Year 2021/2022 for submittal to the City and availability to Plan members and Actuary; motion seconded by Member Crider and passed unanimously.*

**Old Business**

Status of revision to Summary Plan Description

*Member Foley moved to approve the Summary Plan Description; motion seconded by Member Crider and passed unanimously.*

Member Foley stated that the Summary information looks correct, but he noted concern that a benefit study provided by Foster & Foster that was used in union negotiations seemed different and needs clarification as to whether correct information is being used. Discussion ensued regarding the language for average final compensation calculated as a 3 year average as of 9/26/12, as a 3 year average 12/31/12 and a 5 year average as of termination, the greater of these is used for all purposes. Noted was the need for confirmation from Foster & Foster. Plan Administrator advised Board that Actuary from Foster & Foster should be in attendance at the next meeting and could answer questions at that meeting.

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**Ratification: Disbursements/Return of Contributions and Deposit**

1. Sugarman & Susskind, Professional Services dated 11/10/22 \$9,784.60
2. First State fees for custody bank for quarter end 9/30/22, total fees: \$4,556.27
3. Fiduciary Management Inc. 9/30/22 quarterly fee in the amount of \$8,415
4. Burgess Chambers, Performance Monitor, 9/30/22 quarterly fee \$13,025.08
5. SSI, quarterly fee, 9/30/22 quarterly fee - \$7214.
6. American Realty Advisors – 9/30/22 quarterly fee -\$7,194.17
7. Integrity Fixed Income Management – 9/30/22 quarterly fee in the amount of \$4,323.94
8. Julie Enright, Professional Services - \$7,867.62 (quarterly administration fees paid for August, September, October); mileage and copy charges in the amount of \$157.25
9. Polen Capital Management quarter end 9/30/22 in the amount of \$4,399.30
10. Fiduciary Liability Insurance renewal effective 10/5/22 in the amount of \$4,917.42
11. Distribution of annual COLA'S for September, October, November to: Binetti, Carter, Dibella, Parker, Zimmerman, Kondos, Largent
12. FPPTA 2022 annual CPPT certification renewal for Joe Meeske in the amount \$31.00
13. FPPTA 2023 Annual membership renewal in the amount of \$750.00

*Member Foley moved to approve Disbursements/Return of Contributions and Deposit as listed above; motion seconded by Member Crider and passed unanimously*

**Retirements/Contributions Refunds**

14. Scott Russell Disability 100% Joint Annuitant option effective 8/16/2022

*Member Foley moved to approve Retirements/Contributions Refunds as listed above; motion seconded by Member Crider and passed unanimously.*

**STAFF REPORTS, DISCUSSION, AND ACTION - None**

**TRUSTEES' REPORTS, DISCUSSION, AND ACTION**

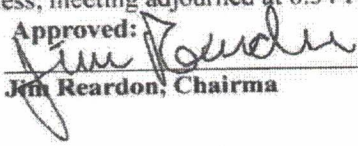
Member Foley noted a statewide comparative report by Foster and Foster and the information provided regarding market returns, funded ratio and member contributions. He compared the Fire plan returns to General Employees returns, as an example, and noted Fire losses were more and gains were less. He discussed option to review contracts. He also stated the need to increase the funded ratio and the overall investment fund underperforming. Discussion ensued and it was noted that Foster & Foster report is only their clients and the need to review the Division of Retirement's statewide comparison. The comparison should be apples to apples noting that Fire gains were used to reduce the assumed rate of return over the years. Further discuss with full Board in attendance and review fair comparable performance. Frank Wan, Burgess Chambers, advised that their ranking is showing a little different from Foster & Foster. He also noted that inability to invest in real estate while pending Council approval (still some limitations) affected returns. Agree that Manager's performance needs reviewed. Member Foley advised that not saying change but should review. Process was discussed.

**REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT – None**

**ADJOURNMENT** – There was no further business; meeting adjourned at 6:34 PM.

Respectfully Submitted:

  
Julie Enright, Plan Administrator

Approved:   
Jim Reardon, Chairma