

**CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
QUARTERLY MEETING AGENDA**

**Monday, May 15, 2023
2:00 p.m.
Port Orange Police Department
Police Training Room
4545 Clyde Morris Blvd.
Port Orange Fl 32129**

Andrew McKay Police Trustee	William Proctor Secretary	Warren Carman Chairman	Drew Bastian Resident Trustee	Brian Cobb Resident Trustee
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Appeal Notice: Any person who decides to appeal any decision made by the Port Orange Police Officers' Pension Board 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 to be based.

CALL TO ORDER

DETERMINATION OF A QUORUM

APPROVAL OF MINUTES

Approve the minutes of quarterly meeting February 27, 2023 and special meeting February 27, 2023.

OFFICER AND TRUSTEE REPORTS

CONSENT AGENDA

Ratify plan expenditures as follows:

1. Sugarman, Susskind, et al – monthly retainer for February 2023 - \$2,600;
2. Sugarman, Susskind, et al – monthly retainer for March 2023 - \$2,600;
3. Sugarman, Susskind, et al – monthly retainer for April 2023 - \$2,600;
4. Plan Administrator Karan Rounsavall – monthly fee (February, 2023, March 2023 and April 2023) - \$9,000;
5. James Moore & Co. – 2022 Audit (final billing thru February 28, 2023) - \$5,000;
6. Freiman Little Actuaries – supplemental actuarial services (February 11, 2022 thru March 30, 2023) - \$7,725;
7. Freiman Little Actuaries – contractual actuarial services (February 11, 2022 thru March 30, 2023) - \$29,089;
8. AndCo Consulting – investment consulting and performance monitoring services for quarter ended March 31, 2022 - \$10,837.50;
9. First State Trust Company – custodial services for quarter ended March 31, 2023 - \$4,625.

CONSULTANT REPORTS

Tyler Grumbles – AndCo Consulting (Investment Consultant)

1. Investment Performance Report for quarter ended March 31, 2023
2. Educational Primer on private debt

Madison Levine – Sugarman, Susskind, Braswell, and Herrera (Attorney)

1. Legislative Update
2. Update on appeal filed by Kim Braddock in the matter of forfeiture of retirement benefits for Steven Braddock

Karan Rounsavall – Plan Administrator

1. Annual Financial Disclosure Filing Deadline – July 1, 2023
2. Election for police officer trustee to fill vacancy for term expiring October 1, 2025
3. Educational Opportunities:
 - Florida Public Pension Trustees Association (FPPTA) – Annual Conference at Rosen Shingle Creek - Orlando – (June 25-28, 2023)
 - Florida Public Pension Trustees Association (FPPTA) – Fall Trustee School at Sawgrass Marriott – Ponte Vedra – (October 1-4, 2023)

Chad Little – Freiman Little Actuaries, LLC (Plan Actuary)

1. Request for board direction when calculating workers comp offsets for disability retirements

OLD BUSINESS

1. Status of discussions with city staff regarding pensionable compensation of annual buybacks of accrued leave balances for Tier One members

NEW BUSINESS

1. Ratify disability retirement benefit for Darren Starling and ratify date of disability as August 19, 2021
2. Renewal of fiduciary liability insurance policy with Markel American Insurance Company through Ullico Casualty Group.
3. Periodic review of professional service provider agreements
4. Consider adoption of policy for public participation during pension board meetings

PUBLIC COMMENT

ADJOURNMENT

**CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
February 27, 2023**

The Port Orange Police Officers' Pension Board of Trustees met in special session on Monday, February 27, 2023 in the Police Department Training Room, 4545 Clyde Morris Boulevard, Port Orange, Florida.

MEMBERS PRESENT: Chairman Warren Carman (fifth member)
Secretary William Proctor (police member)
Brian Cobb (resident member)
Andrew McKay (police member)

MEMBERS ABSENT: Drew Bastian (resident member) - excused

CONSULTANTS: Pedro Herrera, Attorney (*Sugarman Suskind et al*)*
Madison Levine, Attorney (*Sugarman Suskind et al*)*
Chad Little, Actuary (*Freiman Little Actuaries*)
Karan Rounsavall, Plan Administrator

CITY STAFF: April Addison, Human Resources Manager
Marla Callahan, Risk Manager
Linda Truitt, Assistant Finance Director

Chairman Carman called the meeting to order at 2:00 p.m. A quorum was in attendance. Attorneys Herrera and Levine attended the meeting via video conferencing. (Zoom hosted by City of Port Orange)

The purpose of the meeting was to conduct a hearing on the application for a line-of-duty disability retirement submitted by Darren Starling and to render a determination as to eligibility for disability benefits. Officer Starling was in attendance, along with his wife Rachel Starling. Officer Starling was represented by Attorney William Sterbinsky (also present).

Noting that a full pension board was not in attendance, Attorney Herrera advised the claimant that the hearing could be postponed at his request. Attorney Sterbinsky advised that his client was prepared to go forward.

Attorney Herrera discussed the disability procedure and the role of pension board trustees. While this was a challenging task, trustees were fiduciaries and instructed to act in the best interest of the plan and its participants. Section 54-128 of the plan document, along with *Florida Statutes*, addressed disability benefits and the Board's responsibility in making such a determination.

The Board acknowledged receipt of the electronic disability record for Officer Starling which included his application for service-related disability retirement, police officer job description, applicable code provisions, and all medical records for the claimant related to injuries incurred in the line of duty. Additionally, Officer Starling submitted to an independent medical exam (IME) on October 27, 2022 (as required by *Florida Statutes* and the plan document).

The IME was conducted by Amy Clunn of SIMED Health in Ocala, Florida. Board members were in receipt of Dr. Clunn's evaluation.

Attorney Sterbinsky explained that Officer Starling was involved in several vehicle accidents during his tenure with the Port Orange Police Department and sustained significant back injuries resulting therefrom. Officer Starling returned to duty after these accidents. The last accident occurred in 2021. In April 2021, his back pain increased to a level such that he was unable to return to work. Officer Starling's last day on the job was April 23, 2021. There was no light-duty assignment. Based on the evidence presented, Attorney Sterbinsky requested that the pension board approve a service-related disability for his client.

In reviewing the record, Attorney Herrera noted that Officer Starling was at fault for a few of the vehicle accidents. Attorney Sterbinsky responded that these smaller accidents were not contributory to the final disabling injury in 2021.

A workers compensation claim filed on behalf of Officer Starling had been settled. Attorney Herrera advised that the plan document provided for a workers compensation offset and the claimant's benefit might be subject to the offset. As such, the pension board needed a copy of the settlement agreement.

The disability applicant had the burden of proof to provide through substantial evidence their inability to provide useful and efficient service as a police officer. In making this determination, the pension board considered five questions.

1. Did Officer Starling suffer an illness or injury?
2. If Officer Starling suffered an illness or injury, was it suffered in the line of duty (i.e., directly caused by the performance of his duties as a police officer for the City of Port Orange)?
3. Did the illness or injury cause Officer Starling any disability?
4. If Officer Starling suffered from a disability, was that disability permanent or was there a reasonable likelihood that the condition could be improved through treatment? Had Officer Starling reached maximum medical improvement (MMI)?
5. Was Officer Starling totally and permanently disabled from performing the duties of a police officer?

These questions were answered by Dr. Clunn (IME physician) in the affirmative based on her review of his medical records and her physical examination. Officer Starling suffered from herniated disc with some stenosis, lumbosacral radiculopathy, and hip bursitis/tendonitis from chronic strain. His injuries were likely to be permanent. While he had reached maximum medical improvement (MMI), there might be some treatments that could improve his condition. Dr. Clunn did not believe that these treatments would enable him to return to work as a police officer.

Member McKay moved to approve a service-related disability retirement for Officer Darren Starling based on the evidence presented. Member Proctor seconded the motion and it carried unanimously.

Attorney Herrera explained how a service-connected disability benefit was calculated. The plan document provided that *"the monthly service-connected disability benefit shall*

be the participant's accrued retirement benefit or 51 percent of the participant's average monthly compensation at the time of disability, whichever is greater..."

As Officer Starling had not worked any light-duty assignments, the board asked that his calculations be prepared based on two dates: (1) trailing 12 months of salary from April 23, 2021 (last day on job); and (2) trailing 12 months of salary from November 15, 2021 (his official date of termination).

Plan Administrator Rounsavall reminded trustees to delete Officer Starling's medical records from their computers. A permanent copy of the same was maintained by the pension plan.

PUBLIC COMMENT - None

The meeting adjourned at 2:38 p.m.

Warren Carman, Chairman

Karan Rounsavall, Plan Administrator

**CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
FEBRUARY 27, 2023**

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Monday, February 27, 2023 in the Police Department Training Room, 4545 Clyde Morris Boulevard, Port Orange, Florida.

MEMBERS PRESENT: Chairman Warren Carman (fifth member)
William Proctor (police member)
Andrew McKay (police member)
Drew Bastian (resident member) – arrived at 3:24 p.m.
Brian Cobb (resident member)

CONSULTANTS: Madison Levine, Attorney – *Sugarman, Susskind, et al**
Brad Hess, Investment Consultant – *AndCo**
Chad Little, Actuary – *Freiman Little Actuaries*
Zach Chalifour, Auditor – *James Moore & Co.**
Karan Rounsavall, Plan Administrator

CITY STAFF: Linda Truitt, Assistant Finance Director

Chairman Carman called the meeting to order at 2:49 p.m. immediately following the disability hearing. A quorum was in attendance. *The attorney, investment consultant and auditor attended the meeting via video conferencing. (Zoom hosted by City of Port Orange)

APPROVAL OF MINUTES

Member Proctor moved to approve minutes of quarterly meeting November 21, 2022 and special meeting October 12, 2022 as submitted. Member McKay seconded the motion; it carried unanimously.

OFFICER AND TRUSTEE REPORTS - None

CONSENT AGENDA

- A. Approve plan expenditures as follows:
1. Sugarman, Susskind, et al – monthly retainer for November 2022 - \$2,600.
Recommendation: Ratify payment.
 2. Sugarman, Susskind, et al – monthly retainer for December 2022 - \$2,600.
Recommendation: Ratify payment.
 3. Sugarman, Susskind, et al – monthly retainer for January 2023 - \$2,600.
Recommendation: Ratify payment.
 4. Sugarman, Susskind, et al – reimburse travel expenses to attend October 12, 2022 special meeting - \$1,307.24. *Recommendation:* Ratify payment.
 5. Sugarman, Susskind, et al – reimbursement for medical records for Wallace disability - \$102.67. *Recommendation:* Ratify payment.
 6. Plan Administrator Karan Rounsavall – monthly fee (November 2022, December 2022 and January 2023) - \$9,000. *Recommendation:* Ratify payments.

7. Florida Public Pension Trustees Assn. (FPPTA) – 2023 CPPT renewal for Trustees Carman and Bastian - \$62. *Recommendation:* Ratify payment.
8. James Moore & Co. – 2022 Audit (progress billing through December 31, 2022. *Recommendation:* Ratify payment.
9. AndCo Consulting – investment consulting and performance monitoring services for quarter ended December 31, 2022 - \$10,837.50. *Recommendation:* Ratify payment.
10. First State Trust Company – custodial services for quarter ended December 31, 2022 - \$4,625. *Recommendation:* Ratify payment.

Member Cobb moved to ratify plan expenses as recommended. Member Proctor seconded the motion which carried unanimously.

- B. Acknowledge refund of member contributions for Enzo Martelli (non-vested member) in the amount of \$4,013.59

Plan Administrator Rounsavall advised that Officer Martelli received and signed the “special tax notice.”

The pension board acknowledged the refund of member contributions for Officer Martelli as presented.

CONSULTANT REPORTS

Brad Hess – AndCo Consulting (Investment Consultant)

- A. Investment Performance Report for quarter ended December 31, 2022

Mr. Hess provided an update on AndCo. The firm continued to do quite well, adding new personnel and investing 100 percent of net profits back into the organization during 2022. He advised that Consultant Tyler Grumbles was named as a partner at the beginning of the year.

Mr. Hess went on to present the performance report and economic commentary for the quarter ended December 31, 2022. Both domestic and international equities delivered positive returns for the quarter. The S&P was up 7.6 percent. Fixed income also produced positive returns. Despite the encouraging news for the quarter, trailing one-year performance remained negative. Mr. Hess remarked on the outstanding quarterly performance by Oakmark (international equity – value) and Dodge & Cox (domestic fixed income). All asset classes remained within target ranges; there was no recommendation for rebalancing at this time.

Total market value as of December 31, 2022 was \$52,386,724 up from \$49,892,561 for the previous quarter ended September 30, 2022. On a percentage basis, the composite portfolio was up 5.30 percent for the quarter (net) which ranked in the 66th percentile of public plans and slightly underperformed the benchmark. (Note: These returns were preliminary in the absence of a final accounting from infrastructure and private equity.) Across a longer time horizon, returns were much better. The fund's value as of the previous day topped \$54.1 million.

Board members accepted the investment performance report as presented.

The informational primer on private debt was deferred to the next meeting when Mr. Grumbles would be in attendance.

Madison Levine – Sugarman, Susskind, Braswell & Herrera (Attorney)

A. Legislative Update

Attorney Levine spoke of House Bill 3 which required a public pension plan to make investment decisions solely from a pecuniary standpoint and prohibited investment decisions based on ESG (environmental/social/governance) factors. Should this bill pass, there would likely be changes to reporting requirements, etc.

B. Secure Act 2.0

Board members were in receipt of a special report on the Secure Act 2.0 from the law firm advising of changes to the Internal Revenue Code affecting governmental pension plans. These changes included an increase in age for required minimum distributions and exclusion from income for health insurance premiums. As to the latter, public safety retirees could now exclude up to \$3,000 in premium payments made directly by the individual without the need to process the premium payments through the pension plan.

C. Update on appeal filed by Kim Braddock in the matter of forfeiture of retirement benefits for Steven Braddock and acceptance of fiduciary liability claim filed with Ullico Casualty Group

Attorney Levine advised that an appeal to the Board's October 12, 2022 decision to forfeit retirement benefits for Steven Braddock was filed by Kim Braddock (appellant/ex-spouse). Steven Braddock did not file an appeal and the deadline for doing so had passed. A formal record was created with the Fifth District Court of Appeals and the appellant had until May 31, 2023 to file her brief in the matter. A claim was filed with the pension plan's fiduciary insurance carrier and was accepted for coverage.

Karan Rounsavall (Plan Administrator)

A. Educational Opportunities:

- Florida Public Pension Trustees Association (FPPTA) Annual Conference - Rosen Shingle Creek Orlando (June 25-28, 2023)

If any member wished to attend, they were to contact the plan administrator.

B. Summary Plan Description (SPD)

Mrs. Rounsavall advised that the pension plan's current SPD was adopted on February 18, 2021. Pursuant to *Florida Statutes*, the SPD was to be published on a biennial basis. There was some flexibility to this timeline. As an ordinance creating a line-of-duty death benefit was pending, the plan administrator recommended deferring publication until the referenced ordinance was adopted and its provisions could be included in the next publication of SPD. *There was no objection to a delay as recommended.*

The next quarterly meeting was scheduled for Monday, May 15, 2023.

Member Bastian arrived at this time (3:24 p.m.)

Chad Little – Freiman Little Actuaries, LLC (Plan Actuary)

- A. Presentation of annual valuation for fiscal year ending September 30, 2022
- B. Declare expected annual rate of investment return for assets of Port Orange Police Officers' Pension Plan

Board members were in receipt of the October 1, 2022 Actuarial Valuation Report for the Port Orange Police Officers' Pension Plan. This report established the minimum funding requirements for the Pension Plan for the fiscal year ending September 30, 2024. The city's contribution rate as well as the plan's unfunded liability decreased. The plan's funded ratio increased. Mr. Little thanked Cynthia Burgess of the City's Finance Department for her assistance in providing data for the valuation.

The city's minimum funding requirement (city and state contributions) was \$2,281,483. Expressed as a percentage of payroll, the minimum contribution was 45.09 percent. The city's contribution rate (without estimated state contributions) was 34.99 percent. The plan's funded status was 88.72 percent (based on the actuarial value of assets), representing an increase over the previous year's funded percentage of 86.09 percent. The unfunded accrued liability (UAL) was \$6,929,139. Mr. Little incorporated the effect of the recent forfeiture of benefits for one retiree into the valuation.

The investment return on the "market" value of assets was negative (-14.6 percent); the return on the "actuarial/smoothed" value of assets (five-year smoothing) was positive 5.4 percent which was less than the 6.95 percent assumed net investment rate of return used for this valuation. Mr. Little emphasized that this valuation only recognized 20 percent of the current year's investment loss. The balance would be "smoothed" over the ensuing four years. If the plan experienced "back-to-back" years of negative returns, it would have a greater impact on funding requirements.

The valuation report also included required disclosures under *Florida Statutes* 112.664. Report disclosures required by Governmental Accounting Standards Board (GASB) 67 and 68 were provided as a supplemental report.

Member McKay moved to approve the 2022 actuarial valuation report as presented. Member Bastian seconded the motion and it carried unanimously. Plan Administrator Rounsavall would forward the report to city staff for required posting on its web site.

Member Cobb then moved to declare a 6.95 percent expected rate of return for pension plan assets going forward. Member Bastian seconded the motion which likewise carried unanimously.

- C. Discussion regarding possible disability benefit offset by workers' compensation settlement for Disability Retiree Dale Harler

On September 30, 2021, the pension board awarded a line-of-duty disability benefit to Dale Harler. Mr. Harler received a workers' compensation settlement on December 15, 2022. The pension plan document provided for a workers compensation offset [Section 54-128(c)(3)]. Given that Mr. Harler received a disability benefit equal to 51 percent of his salary, Mr. Little did not believe that the offset would make a difference. However, he would produce the calculation for the record spreading the amount of the settlement over the participant's life expectancy to demonstrate no impact.

Report: Zach Chalifour – James Moore & Co. (Auditor)

1. Presentation of draft audit of Police Pension Fund financials for fiscal year ended September 30, 2022

Mr. Chalifour advised that the pension fund's financials were accurate and fairly presented. There was nothing in the audit report assessed as a material weakness to be disclosed. His firm presented an "unmodified opinion" of police pension financials for Fiscal Year 2021/2022 which was the highest standard. The audit was performed in conformance with governmental auditing standards.

There were no recommendations or comments for improving the Pension Plan's efficiency and internal controls.

Member Proctor moved to accept the audit report for fiscal year ended September 30, 2022 pending receipt of the actuary's GASB information. Member Bastian seconded the motion; it carried on an all yes vote.

OLD BUSINESS

- A. Status of proposed ordinance creating a line-of-duty death benefit

Final action and adoption of this ordinance was still pending. (Note: It was first introduced in November 2021.) The city attorney revised the original draft of the ordinance (as prepared by the board's attorney) to provide a benefit for a *domestic partner* as requested during collective bargaining negotiations with the two police unions (IUPA and PBA) and city staff. IUPA members already approved the revised ordinance. The ordinance would be presented to the PBA (lieutenants' union) the following day when it would most likely be approved.

Because the ordinance was revised from its original version, a new actuarial impact statement was required. *No board action was required at this time.*

NEW BUSINESS

- A. Ratify disability retirement benefit for Michael Wallace

Member Bastian moved to ratify Michael Wallace's election of the Life Annuity Option effective October 10, 2022. Member Cobb seconded the motion; it carried on an all-yes vote.

- B. Acknowledge receipt of detailed accounting report for Fiscal Year 2021/2022

Board members were in receipt of the detailed accounting report for Fiscal Year 2021/2022 prepared by the plan administrator. It reflected administrative expenses that were paid on behalf of the plan during the fiscal year. Administrative expenses included legal counsel, actuarial, investment consultant, plan administration, education, fiduciary insurance, etc. Total administrative expenses were \$201,308. This total was less than the adopted budget for the fiscal year (\$223,080) but more than administrative expenses paid in Fiscal Year 2020/2021 (\$178,326). Unanticipated disability related expenses and forfeiture expenses were incurred in the fiscal year. Investment management expenses were not considered administrative expenses and, as such, were not reported. Nor were mutual fund holdings (reported net of fees) considered administrative expenses.

There were no questions. *The board accepted the detailed accounting report for Fiscal Year 2021/2022 as presented.* Plan Administrator Rounsavall would provide the accounting report to the plan sponsor (City of Port Orange) and make it available to plan members.

C. Discussion on application of interest earnings for DROP participants

A current DROP participant recently raised the question of why the interest rate applied to their DROP balance changed instead of remaining the same as of the date they entered DROP. Attorney Levine referenced Section 54-122 of the plan document which stated that a participant's DROP account shall be credited with interest at the same rate as the assumed rate of investment return established by the Fund.

The pension board annually reviewed its assumed rate of investment return and typically reduced this interest rate by ten basis points each year pursuant to a policy adopted in September 2015. This was in keeping with prior practice wherein the interest rate earned on DROP balances was reduced for participants when the assumed rate of return was adjusted downward.

Lt. Chris Besuden understood the reason for the changes to the interest rate applied to his DROP balance. However, his DROP balance accumulation table reflected the initial interest rate throughout. This was somewhat misleading for participants when it came to the final DROP balance. *Actuary Little would prepare an updated DROP table for Lt. Besuden to reflect interest rate changes.*

Member Proctor left the meeting at 4:20 p.m.

PUBLIC COMMENT - None

ADJOURNMENT

The meeting adjourned at 4:23 p.m.

Lt. Warren Carman, Chairman

Karan Rounsavall, Plan Administrator

MEMORANDUM

May 16, 2023

TO: Members of the Port Orange Police Officers' Pension Plan

FROM: Karan Rounsavall, Pension Plan Administrator *K Rounsavall*

SUBJECT: Election for Police Officer Trustee

Please be advised that there will be a vacancy for a police officer trustee position on the Port Orange Police Officers' Pension Board as of July 1, 2023. Officer Andrew McKay enters DROP (deferred retirement option plan) as of that date. As such, he is considered retired and no longer eligible to serve as an elected police trustee.

In accordance with the Pension Board's Policy Statement for Election of Police Officer Trustees, an election to fill the remainder of Officer McKay's term will be scheduled the first week of July 2023. This election will fill the vacancy for the remainder of his term expiring October 1, 2025.

If you are a full-time sworn police officer and would like to be a candidate for one of the police officer trustee positions, please submit your name in writing to Plan Administrator Karan Rounsavall at krounsavall@port-orange.org or Senior Administrative Assistant Beth Unruh no later than **Friday, June 16, 2023.**

If you have any questions, feel free to contact me at 321-537-6007.

Subject: FW: Disability Retiree Dale Harler and WC Offset
From: "Chad Little" <chad@flactuaries.com>
Date: 4/14/2023, 12:31 PM
To: "Karan Rounsavall" <rounsavall@earthlink.net>
CC: "Paula Freiman" <paula@flactuaries.com>

Karan,

The attached calculation uses both the Plan's funding assumptions and the definition of actuarial equivalence. In either case there is no offset. We will address which assumptions should be used going forward when we discuss with the Board and have them provide direction.

Chad Little, ASA, EA
Partner
Freiman Little Actuaries, LLC
4105 Savannahs Trail
Merritt Island, FL 32953-8607
Office (321) 453-6542
Fax (321) 453-6998
Mobile (321) 591-8265
chad@flactuaries.com

From: Madison Levine <mlevine@sugarmansusskind.com>
Sent: Friday, February 24, 2023 3:15 PM
To: Chad Little <chad@flactuaries.com>
Cc: Jessica De la Torre Vila <jess@sugarmansusskind.com>; Pedro Herrera <PHerrera@sugarmansusskind.com>; Kenneth R. Harrison <kharrison@sugarmansusskind.com>; Robert Sugarman <Robert.Sugarman@sugarmansusskind.com>; Karan Rounsavall <rounsavall@earthlink.net>; paula@flactuaries.com
Subject: RE: Disability Retiree Dale Harler and WC Offset

Dear Chad,

After discussing your questions with Ken, please see my responses below in red.

Best,

Madison Levine, Esq.
SUGARMAN SUSSKIND BRASWELL & HERRERA, P.A.
150 Alhambra Circle
Suite 725
Coral Gables, FL 33134
Telephone: (305) 529-2801
Facsimile: (305) 447-8115
Email: mlevine@sugarmansusskind.com

From: Chad Little <chad@flactuaries.com>
Sent: Thursday, February 23, 2023 11:17 AM
To: Jessica De la Torre Vila <jess@sugarmansusskind.com>
Cc: 'Karan Rounsavall' <rounsavall@earthlink.net>; Madison Levine <mlevine@sugarmansusskind.com>; Kenneth R. Harrison <kharrison@sugarmansusskind.com>; Paula Freiman <paula@flactuaries.com>; Pedro Herrera <PHerrera@sugarmansusskind.com>
Subject: RE: Disability Retiree Dale Harler and WC Offset

I had a couple of questions.

First, we wanted to confirm that we should use the mortality (as required by the State for funding) that has been approved by the Board for this calculation rather than the definition of actuarial equivalence in the ordinance. Yes, use the mortality that has been approved by the Board for this calculation.

Second, he started his disability benefits on 10/1/2021. His workers comp settlement was on 12/15/2022 (or 12/16/2022). We need an "as of" date to determine his age and life expectancy. Should we use 3/1/2023 since that would be after the Board meeting to direct any change?

Per Pedro's comment below, use October 3, 2019 (which is the date approving Mr. Harler's time of disability for salary purposes) as the "as of" date to determine his age and life expectancy.

Lastly, the formula calls for us to add that to the amount he is receiving in disability and compare that to his "final monthly compensation on the date of disability". His date of disability was 9/30/2021. However, for the calculation we were instructed to use his pay before he became disabled (10/3/2018-10/3/2019) divided by 12. We will need to know which one of these to compare with. Pedro had sent an email on 10/20/2021 with the following suggested language for the minutes of the meeting where this was ratified:

Pursuant to the Board's prior action granting Mr. Harler's service connected disability benefits taken at the Sept. 30th informal disability hearing, the Board ratifies the Chairman's decision approving October 3, 2019 as the Mr. Harler's time of disability for salary calculation purposes and September 30, 2021 as Mr. Harler's date of disability for benefit commencement purposes.

If that is the case, it seems that we should use the pay from October 3, 2019 because that is the pay to use for salary calculation purposes. Would that be correct?

Yes, this is correct. Use the pay from October 3, 2019.

Thanks for your help.

Chad Little, ASA, EA
Partner
Freiman Little Actuaries, LLC
4105 Savannahs Trail
Merritt Island, FL 32953-8607
Office (321) 453-6542
Fax (321) 453-6998
Mobile (321) 591-8265
chad@flactuaries.com

From: Jessica De la Torre Vila <jess@sugarmansusskind.com>

Sent: Wednesday, January 11, 2023 12:13 PM

To: chad@flactuaries.com

Cc: Karan Rounsavall <rounsavall@earthlink.net>; Madison Levine <mlevine@sugarmansusskind.com>; Kenneth R. Harrison <kharrison@sugarmansusskind.com>

Subject: Disability Retiree Dale Harler and WC Offset

Dear Chad,

Happy new year! Attached please find our firm's correspondence in connection with Mr. Harler's workers' compensation settlement.

Should you have any questions, please do not hesitate to contact us.

Thank you in advance.

Best Regards,

Jessica A. De la Torre Vila
Paralegal/Legal Assistant

SUGARMAN SUSSKIND
BRASWELL & HERRERA, P.A.
150 Alhambra Circle
Suite 725
Coral Gables, FL 33134
Telephone: (305) 529-2801
Facsimile: (305) 447-8115
Email: jess@sugarmansusskind.com
Website: www.sugarmansusskind.com

City of Port Orange Police Pension Fund

Workers' Compensation Offset Benefit Calculation for DALE E HARLER

Personal Information

Name:	DALE E HARLER	Date of Hire:	03/20/2006
Date of Birth:		Pension Credit Start Date:	12/10/2006
Form of Benefit Elected:	Life Only	Date of Disability (Board Approved):	09/30/2021
Monthly Benefit Payment:	\$ 2,604.02	Benefit Commencement Date:	10/01/2021
		Average Final Compensation:	\$ 54,878.75
		As of Date for Average Monthly Comp.:	10/03/2019
		Average Monthly Comp. at Disability:	\$ 4,891.17

Workers' Compensation Settlement as Monthly Amount

1. Lump Sum Settlement for Past and Future Compensation Benefits =	\$ 7,600.00	
2. Member Age on October 3, 2019 (Date per Plan attorney) =	39	
	Actuarial Equivalence	Valuation
	<u>Mortality</u>	<u>Mortality</u>
3. Life Expectancy in Months =	335	404
4. Workers' Compensation Settlement as Monthly Amount (1. / 3.) =	\$ 22.69	\$ 18.81

The Lump Sum Settlement for Past and Future Compensation Benefits is converted to a monthly amount above using the definition of Actuarial Equivalence for disabled lives (based on rates from Appendix G of the RP-2000 Mortality Tables report of the Society of Actuaries) and also using mortality as in the FRS 2019 actuarial valuation for disabled retirees (50/50 blend).

Determination of Workers' Compensation Offset

1. Workers' Compensation Settlement as Monthly Amount (from above) =	\$ 22.69	\$ 18.81
2. Monthly Life Only Annuity Payable Under the Plan =	2,604.02	2,604.02
3. Workers' Compensation Settlement as Monthly Amount Plus Monthly Plan Benefit =	2,626.71	2,622.83
4. Average Monthly Compensation at Disability =	\$ 4,891.17	\$ 4,891.17
5. Workers' Compensation Offset =	\$ -	\$ -
6. Final Monthly Life Only Annuity Payable Under the Plan After Offset =	\$ 2,604.02	\$ 2,604.02

Because the Workers' Compensation Settlement as Monthly Amount Plus Monthly Plan Benefit is not more than the Average Monthly Compensation at Disability, there is no Workers' Compensation Offset to be taken from the benefit payable under the Plan.

City of Port Orange Police Pension Fund

Benefit Election Form for DARREN STARLING

Personal Information

Name: DARREN STARLING	Date of Hire: 03/05/2007
Date of Birth:	Pension Credit Start Date: 03/05/2007
	Date of Disability (Board Approved): 08/19/2021
	Benefit Commencement Date: 08/20/2021
	Total Credited Service: 14.4167
Beneficiary's Name:	Average Final Compensation: \$55,644.92
Beneficiary's Date of Birth:	Average Monthly Comp. at Disability: \$4,961.33

Optional Form of Benefit Election

Select only one of the following options.

- 10-Year Certain & Life Annuity**
Retiree's Benefit: \$ 2,530.28 **Survivor's Benefit:** \$ 2,530.28
 This is a monthly pension payable for your lifetime, with the guarantee that if you should die within ten years of the date you elected to retire, your designated beneficiary will receive a monthly payment equal to the monthly payment you were receiving for the remainder of the ten years.
- Life Annuity**
Retiree's Benefit: \$ 2,637.59
 This is a monthly pension payable for your lifetime only. There are no survivor benefits payable after your death.
- 4/21/23
OS
 100% Joint & Survivor Annuity
Initial Benefit: \$ 2,158.27 **Survivor's Benefit:** \$ 2,158.27
 This is a monthly pension payable for your lifetime. Upon your death, your eligible beneficiary will receive a monthly payment for life equal to 100% of the monthly payment you were receiving for his or her lifetime.
- 75% Joint & Survivor Annuity**
Initial Benefit: \$ 2,260.99 **Survivor's Benefit:** \$ 1,695.74
 This is a monthly pension payable for your lifetime. Upon your death, your eligible beneficiary will receive a monthly payment for life equal to 75% of the monthly payment you were receiving for his or her lifetime.
- 66 2/3% Joint & Survivor Annuity**
Retiree's Benefit: \$ 2,297.42 **Survivor's Benefit:** \$ 1,531.69
 This is a monthly pension payable for your lifetime. Upon your death, your eligible beneficiary will receive a monthly payment for life equal to 66 2/3% of the monthly payment you were receiving for his or her lifetime.
- 50% Joint & Survivor Annuity**
Retiree's Benefit: \$ 2,373.98 **Survivor's Benefit:** \$ 1,186.99
 This is a monthly pension payable for your lifetime. Upon your death, your eligible beneficiary will receive a monthly payment for life equal to 50% of the monthly payment you were receiving for his or her lifetime.

As a Member of the City of Port Orange Police Pension Fund, I have read and understand the conditions of the above annuity options. By completing and signing this **Benefit Election Form**, I hereby revoke all **Benefit Election Forms** I may have previously signed and submitted. On behalf of myself, my beneficiaries, heirs and assigns, my estate and representatives thereof, I hereby acknowledge that the benefit described above constitutes my entire benefit under the terms of the Fund.

[Signature]
 Member's Signature
 STATE OF Florida

4/21/23
 Date

COUNTY OF Volusia

The foregoing instrument was acknowledged before me by means of: physical presence or online notarization

this 21 day of April, 2023, by DARREN STARLING who:

is personally known to me

OR produced identification: _____ Type of Identification Produced _____

Karan J. Rounsa Vall
 Signature - Notary Public

Online Notary:
 (Check Box if acknowledgment done by Online Notarization)

NOTARY: Print, type or stamp your name in addition to seal.



KARAN J. ROUNSAVALL
 Commission # HH 142755
 Expires October 15, 2025
 Bonded Thru Budget Notary Services

Karan Rounsavall

From: Sandie Kyser <sandie@umi91.com>
Sent: Tuesday, May 2, 2023 2:11 PM
To: Karan Rounsavall
Subject: [EXT] Port Orange Police Pension Plan - Fiduciary Policy #MGL 0014808-06 - Renewal Quote
Attachments: Markel Renewal Quote with Specimen Endorsements.pdf

Good Afternoon Karan,

Attached you will find a renewal quote for the above referenced Fiduciary Policy with Markel American Insurance Company (Rated "A" by A.M. Best, Admitted) through Ullico Casualty Group.

Changes from expiring:

- Markel's Trustee Claims Expense Endorsement, No. GOV-007, is added. Provides Claims Expenses for Non-Fiduciary Claims as defined under the endorsement (specimen attached with quote). This endorsement broadens coverage under the policy.
- The State of Florida increased the surcharges to fund the Florida Insurance Guaranty Association (*FIGA) from .7% to 2% of the premium.

Otherwise, coverage is quoted the same as expiring. The annual premium is \$5,418.24 (\$5,312.00 Base Premium + \$106.24 *FIGA Surcharges). The Base Premium increased \$260.00 due to payments to date on an open claim. If you would like to renew the policy please confirm by responding to this email.

If you have any questions, please don't hesitate to contact me.

-As always, we at United Members appreciate your business.

Sincerely,
Sandie Kyser, Account Executive
United Members Insurance (UMI)
A Union Agency that Understands & Cares
Direct Line: 813-265-2310
Phone: 800-940-5432, ext. 208
Email: sandie@umi91.com
6826 W. Linebaugh Avenue
Tampa, FL 33625



ULLICO ORGANIZED LABOR PROTECTION GROUP, LLC

a voluntary membership organization operating pursuant to the Liability Risk Retention Act of 1986 and whose principal office is: 1625 Eye Street NW, Washington, DC 20006

**Insurance Quote Proposal
Governmental Liability Insurance**

Date Issued: 04/28/2023

Quote Number: MGL 0014808-07

Renewal of: MGL 0014808-06

Insurance Carrier: Markel American Insurance Company

Coverage: Governmental Fiduciary Liability Insurance Claims Made Policy Form GOV-1000 (11/2014), Claims Expenses Inclusive

Insurance Representative: **Ullico Casualty Group, LLC**
8403 Colesville Road, 13th Floor
Silver Spring, MD 20910

Producer: United Members Insurance, Inc.
Address: 6826 Linebaugh Avenue
Tampa, FL 33625

Plan or Trust(s): Port Orange Municipal Police Officers' Retirement Plan
Address: 1000 City Center Parkway
Port Orange, FL 32129

Policy Period: 05/31/2023 to 05/31/2024

Prior & Pending Litigation Date: 05/31/2006

Option #1:

Limits of Liability:	\$1,000,000.00	Aggregate Limit of Liability for all Loss
Self-Insured Retention:	\$0.00	each Claim

Premium:	\$5,312.00	Base Premium
	\$0.00	Waiver of Recourse Premium

\$106.24 Applicable Taxes/Fees
\$5,418.24 Total Premium

COVERAGE EXTENSIONS:

\$200,000.00 Sub-Limit of Liability for all **Voluntary Compliance Program Expenditures** (included within and not in addition to the maximum **Aggregate Limit of Liability** set forth in Item 04(a) of the **Policy Certificate**.

COVERAGE DETAILS:

- Trustee Claim Expense
\$1,000,000 Sub-Limit
\$0 Retention
- Additional Insured
\$1,000,000 Sub-Limit for Karen Rounsavall
\$1,000 Retention for Karen Rounsavall

THE FOLLOWING ENDORSEMENT(S) WILL ATTACH TO THE POLICY:

END NO./REF NO.

1. MIL 1214 (09/17)
2. TRIA (06/15)
3. GOV-FL (06/15)
4. GOV-003 (05/19)
5. GOV-005e (06/15)
6. GOV-007 (05/19)
7. GOV-054 (05/16)

ENDORSEMENT

Trade or Economic Sanctions
Cap on Losses From Certified Acts of Terrorism
Florida Amendatory Endorsement
Removal of Statutory Indemnification Endorsement
Additional Insured/Third Party Administrator
Trustee Claims Expense Endorsement
Modification Endorsement

CONDITIONS/COVERAGE SUBJECT TO:

Nothing else required

This quotation is valid for a period of thirty (30) days from the **Issue Date** shown above unless amended or withdrawn by **Markel American Insurance Company (Insurer)**, with or without cause, prior to its acceptance and binding, and is subject to the terms and conditions of the policy(ies) to be issued. If the information supplied by the **Trust or Plan** in the application changes between the date of the application for this insurance and the **Effective Date** of the insurance or the time when the policy is bound (whichever is later), the Trust or Plan must immediately notify **Insurer** in writing of such changes and the **Insurer** may withdraw or amend any outstanding quotations based upon such changes.

Ullico Organized Labor Protection Group, LLC is administered by Ullico Casualty Group, LLC, a/k/a Ullico Insurance Agency, LLC in CA. CA License #OH86030 and FL (Craig Arneson) License # A008437

**PORT ORANGE POLICE OFFICERS' PENSION PLAN
CONSULTANT LIST – AGREEMENT DATES 2023**

Company	Title	Contact	Agreement Dates
Freiman Little Actuaries	Plan Actuary	Chad Little Paula Freiman	November 10, 2006 (original agreement) October 1, 2022 (revised agreement – no expiration)
Sugarman & Susskind	Plan Attorney	Madison Levine Pedro Herrera	December 1, 2006 (original agreement) August 22, 2014 (revised fee)
AndCo Consulting, LLC	Investment Consultant and Performance Monitor	Tyler Grumbles Dan Johnson	August 1, 2017 (original agreement) October 1, 2021 – revised fee with 2% annual increase effective 10/1/2022. (3-year guarantee)
Karan Rounsavall	Plan Administrator	Karan Rounsavall	March 19, 2014 (original agreement) August 21, 2015 (revised fee) February 16, 2018 (revised fee guaranteed for four years thru 3/01/2022)
First State Trust	Custodian Bank	James Robinson	October 2, 2017 (original agreement) \$18,500 annual fee guaranteed for two years thru 10/2/2019
James Moore, CPA	Auditor	Zach Chalifour	September 3, 2015 (original agreement) February 18, 2021 renewed agreement for years ended 9/30/2021 and 9/30/2022

May 3, 2023

City Attorney's Office to determine the sufficiency of notice to interested parties. To reconsider a final vote of the City Council, a motion to reconsider shall be made by a member of the Council that voted on the prevailing side. The City Council shall establish for the public record the reasons that a reconsideration of the final vote was warranted.

- g. A motion made by a Councilmember to approve an item on the agenda or the consent agenda by reference to the agenda item number and/or the title of the agenda item shall automatically incorporate staff's recommended motion (as set forth in the agenda packet) unless a clear indication to the contrary is made on the record.

10. The City Council of the City of Port Orange is committed to maintaining civility in public and political discourse and encourages the public to do the same. To promote civil discourse and avoid a confrontational atmosphere, all comments by members of the Council, advisory board members, and/or the public should:

- a. Respect the right of all citizens in our community to hold different opinions;
- b. Avoid rhetoric intended to humiliate or question the wisdom of those whose opinions are different from ours;
- c. Strive to understand differing perspectives;
- d. Be truthful, not accusatory, and avoid distortion; and
- e. Avoid violence, prejudice, and incivility towards citizens, employees, and officials of the City of Port Orange.

11. Cell phone ringers shall be disabled while a meeting or workshop is in progress.

IV. PUBLIC PARTICIPATION.

A. The City of Port Orange recognizes the statutorily created right of the public to be heard on propositions in front of City Council as set forth in Section 286.0114, Florida Statutes, and is committed to democratic, participatory local government. The following rules, guidelines, and procedures are intended to promote orderly conduct and defined methods for participation. The presiding officer shall have the authority to enforce these rules and may request the removal of any individual who has been warned of and persists with prohibited conduct.

1. General Rule

- a. Members of the public shall be given a reasonable opportunity to be heard on a proposition before City Council, subject to the rules, guidelines, and procedures set forth herein. The opportunity to be heard need not occur at the same meeting at which City Council takes official action on the proposition if the opportunity occurs at a meeting

that is during the decision-making process and is within reasonable proximity in time before the meeting at which City Council takes the official action.

- b. Public participation is not required under the following circumstances:
 - i. An official act must be taken to deal with an emergency situation affecting the public health, welfare, or safety, and public participation would cause an unreasonable delay in the ability of the City Council to act;
 - ii. An official act involving no more than a ministerial act, including, but not limited to, approval of minutes and ceremonial proclamations;
 - iii. A meeting that is exempt from s. 286.011, Florida Statutes; or
 - iv. A meeting during which the board or commission is acting in a quasi-judicial capacity, unless otherwise provided by law.

2. Meeting Decorum and Conduct

- a. Individuals may only make comments from the podium, or such other reasonable accommodation, after being recognized by the presiding officer.
- b. Prior to commenting, individuals are required to clearly state their name and city of residence for the record in order to preserve an accurate public record reflected in the meeting minutes for future reference.
- c. All comments shall be directed to the presiding officer and shall not contain profane, aggressive or threatening language, or personal verbal attacks.
- d. Repetitive, redundant, or immaterial presentations or requests may be limited, and shall not resume unless authorized by a majority vote of the City Council.
- e. Comments shall be limited to the allotted times set forth herein, but additional comments may be submitted in writing to supplement and fully address any issue. The presiding officer shall have the discretion to provide additional time for a representative who can produce supporting documentation or evidence that he or she is authorized to speak on behalf of a group or faction comprised of five or more members of the public.
- f. Individuals attending a City Council meeting may choose to either hold a sign or place a sign along the rear wall of Council Chambers. Signs shall not be placed or held in any manner which obstructs the view of other audience members or obstructs access to or from Council Chambers. Signs shall not be waived or lighted in any manner that

causes distraction to the Councilmembers or members of the audience during a City Council meeting or workshop. Signs shall not be affixed to the walls or other surfaces within the meeting room.

3. Procedures and Guidelines for Public Participation

a. Public Participation – Non-Agenda

- i. The City Council allocates 20 minutes at each regularly scheduled City Council Meeting for members of the public who wish to appear before the City Council to make a request, voice a complaint or concern, express an opinion, or give recognition. Council may extend the allocated time by the majority vote of the Council.
- ii. Members of the public who wish to be heard shall complete a public participation form and provide the completed form to the City Clerk prior to the beginning of the meeting. Public participation forms shall be made available outside Council Chambers one hour prior to the meeting and in the City Clerk's Office during regular business hours. The City Clerk shall present all completed forms to the presiding officer prior to the beginning of the meeting.
- iii. The presiding officer shall divide the time allocated equally between all who have signed up to speak. Each individual shall be afforded no more than three minutes to speak unless such time is extended by a majority vote of City Council.
- iv. If an item brought forward under Public Participation – Non-Agenda requires a longer presentation by the presenter or will require staff research of materials, the item may be scheduled for a future City Council Meeting under Public Participation – Agenda if a member of City Council so specifically requests.

b. Public Participation – Agenda

- i. The City Council shall reserve a section of the agenda dedicated to hearing Public Participation items requiring more than three minutes to fully address.
- ii. Members of the public who wish to have their discussion item placed on the agenda shall file the request with the City Clerk at least three weeks in advance of the Council Meeting at which the item is to be heard. The request shall include the nature of the discussion and any supporting information to be considered.
- iii. The City Clerk shall forward a copy of the request and supporting information to the appropriate City Department(s) so that research may be conducted, and information may be provided by staff as part of the agenda item to assist City Council in making a decision.

iv. Requests shall be forwarded to the appropriate City Advisory Board or Commission for recommendations to the City Council prior to placement on an agenda, when applicable.

v. Public Participation Agenda Items shall be considered in the following format:

1. Presentation by requestor
2. Questions of the requestor by City Council
3. Presentation by City staff, if necessary
4. Questions of City staff by City Council
5. Public comments
6. Take action, if necessary

vi. The requestor and City staff shall each be given 15 minutes to address the agenda item, unless extended by the majority vote of Council. Presentations shall be clear, concise, and to the point. Presentation materials shall be provided to the City Clerk at least 48 hours prior to the meeting date. The City Clerk will upload the presentation materials to the computer in Council Chambers. Members of the public who wish to participate after the presentation by voicing support, opposition or neutrality to the request shall be afforded no more than three minutes each to speak.

c. Public Hearings, Regular Agenda, and Consent Agenda Items

i. Members of the public shall be given an opportunity to be heard on public hearing items and regular agenda items once the applicant has completed his or her presentation, the City Staff has completed its presentation on the issue, and interested parties, if any, have completed their presentation; and before a decision has been made by City Council.

ii. Members of the public who wish to be heard on a particular item listed on the agenda may choose to complete a public participation form and turn-in the completed form to the City Clerk in advance of the meeting or raise a hand and wait to be called-on when the presiding officer opens the floor to comments from the public.

iii. Applicant(s) and City Staff shall have as much time as necessary to make their presentation before the City Council. Each member of the public shall have no more than three minutes to be heard once recognized by the presiding officer.

d. Submission of Petitions

i. Petitions may be presented to Council during public participation at a meeting or by mailing or hand-delivering to the City Clerk.