

**CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, May 15, 2023, 4:30 PM**

Members Present: Joe Meeske, Secretary
William Crider
Reed Foley
Chris Taylor
Plan Administrator: Julie Enright
Plan Attorney: Pedro Herrera, Via Conference Call
Consultant: Frank Wan, Burgess Chambers & Associates (BCA)

CALL TO ORDER/DETERMINATION OF A QUORUM

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

APPROVAL OF MINUTES – Quarterly Meeting, February 23, 2023

Member Foley moved to approve the quarterly minutes of February 23, 2023; the motion was seconded by Member Taylor and passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wan, Burgess Chambers (BCA), Performance Monitor, quarterly report March 31, 2023

Mr. Wan presented the March 31, 2023 total fund investment performance report. The fund value as of 12/31/2022 was \$36,526,196 and the fund value as of 03/31/23 was \$38,378,164. He reviewed the performance of the Plan noting that the fund was +4.5% quarter to date and 10% fiscal year to date. Noted is that Polen Capital Management is doing well and that Real Estate is down 3.3% due to Commercial Real Estate low occupancy.

Two recommendations were presented to the Board:

1. Move \$1.4 million from Fiduciary Large Cap-FMI with \$1 million to S&P 500 Index and \$400,000 to American Funds Euro Pacific Growth
2. Move \$400,000 from Convertible Bonds-SSI to American Funds Euro Pacific Growth

Member Foley moved to move \$1.4 million from Fiduciary Large Cap-FMI with \$1 million to S&P 500 Index and \$400,000 to American Funds Euro Pacific Growth; and to move \$400,000 from Convertible Bonds-SSI to American Funds Euro Pacific Growth; the motion was seconded by Member Taylor and passed unanimously.

Pedro Herrera, Plan Attorney, Legislative Update

Attorney Herrera advised the pending ordinance for Union contract changes has been sent to the City to Jim Linn and copied to Matt Jones. Member Foley will get an update from Matt Jones. Would need to ask if the ordinance language of the effective date can be changed. The Memorandum of Understanding (MOU) states the effective date is “upon adoption of ordinance” or if the City will allow the date of the MOU February 7, 2023.

Consensus of the Board is to move Board discussion on this matter to the end of the meeting.

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Attorney Herrera advised the Board that HB 3 – Government and Corporate Activism was signed by the Governor effective July 1, 2023. It addresses the provision of products and services by financial institutions, the investment of certain state and local government funds, the issuance of environmental, social, and governance (ESG) bonds, and procurement of and contracting with vendors by certain state and local entities and educational institutions. For Government investments the bill codifies and expands the program adopted by the State Board of Administration (SBA) in 2022 that requires, with limited exceptions, investments of certain state and local funds to be based solely on pecuniary factors. The bill requires state and local retirement systems to report compliance with the law on a biennial basis, beginning December 15, 2023. Investment managers who invest public funds on behalf of state and local government entities must include a specified disclaimer in certain external communications that discuss social, political, or ideological interests that such communication does not reflect the views or opinions of the people of the State of Florida. On or after July 1, 2023, contracts with investment managers may be unilaterally terminated for failure to provide such disclaimer. The State will be issuing guidelines for the Statute. Attorney Herrera will give a final report at the August Board meeting.

Attorney Herrera revisited the Ordinance for Union contract changes noting that the Actuarial Study is pending and the ordinance is necessary to prepare the Impact Statement. Member Foley to follow up.

Attorney Herrera noted the Financial Disclosure forms are due July 1.

Julie Enright, Plan Administrator

- A. Retiree death audit – no deaths reported by custodian bank
- B. Sent declared rate of return to the Division of Retirement and the City
- C. Submitted information to Foster & Foster for completion of the annual Police and Fire State Report
- D. Coordinated transfer 1.5 million from FMI to Fidelity 500 Index Fund March 2023
- E. Receipt of revised Burgess Chambers Consulting Services Agreement effective as of 4/1/2023 for signature by Chairman
- F. Receipt of Application for Disability Retirement from Thomas DuBrule on 3/8/23. Forwarded to pension attorney from processing
- G. Next meeting scheduled for August 21, 2023

NEW BUSINESS

- 1. Request from Integrity for updated list of authorized signatures
Consensus of the Board to provide Integrity an updated list of authorized signatures.
- 2. Discuss independent auditor for the Fire Plan
Discussion ensued regarding an independent auditor for the Fire Plan.
Consensus of the Board to instruct the Plan Administrator to coordinate with James Moore Company to provide information regarding what services an additional audit would entail.

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OLD BUSINESS

1. Status of Ordinance for changes made to Union contract. The changes to include past employee classified as “Reserve” shall have hire date adjusted to reflect that date and if funded ratio reaches 80%, average final compensation will be the best 3 of the last 5 years
Attorney Herrera advised Board of the status of the ordinance as part of the Attorney’s report above.
2. Continue discussion regarding comparative performance of investments
Discussion completed.

RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS and DEPOSITS

1. Sugarman & Susskind, Professional Services dated 4/6/23 **\$2,475.20**
2. First State fees for custody bank for quarter end **3/31/23**, total fees: **\$4,556.25**
3. Fiduciary Management Inc. **3/31/23** quarterly fee in the amount of **\$5,554**
4. Burgess Chambers, Performance Monitor, **3/31/23** quarterly fee - **\$14,391.81**
5. SSI, quarterly end **3/31/23** quarterly fee - **\$7,230**
6. American Realty Advisors – **3/31/23** quarterly fee -**\$6,452.98**
7. Integrity Fixed Income Management – **3/31/23** quarterly fee in the amount of **\$4,898.09**
8. Julie Enright, Professional Services - **\$8,103.63** (quarterly administration fees paid for February, March, April); mileage and copy charges in the amount of \$107.24
9. Polen Capital Management quarter end **3/31/23** in the amount of **\$4,937.33**
10. Foster & Foster invoice dated 5/3/23 in the amount of **\$9,609.00**
11. Distribution of annual COLA’S for March, April, May to: Bazanos, Hammons, Morrisey, Amara, Delameter, Meister, Nigh, Rafferty, DelValle, Jenkins, Pelletier, Ste. Claire, Stewart
Member Foley moved to approve disbursements, return of contributions and deposit as listed above; motion seconded by Member Crider and passed unanimously.

RETIREMENTS/CONTRIBUTION REFUNDS

1. Retirement for Joseph McCraney effective 1/1/2023 Lifetime with 120 payments guaranteed and DROP distribution
2. Refund of employee contributions for non-vested member Jose Aquino
Member Foley moved to approve retirements/contributions and refunds as listed above; motion seconded by Member Taylor and passed unanimously.

STAFF REPORTS, DISCUSSION, AND ACTION - None

TRUSTEES’ REPORTS, DISCUSSION, AND ACTION

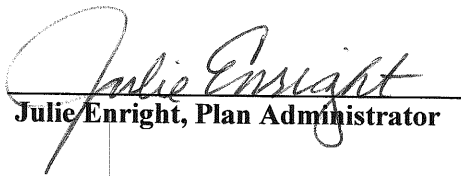
Discussion of the Plan over the years ensued. Secretary Meeske stated that, for the record, the Plan has not been neglected for years and has been well managed.

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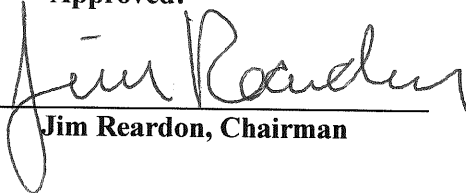
REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; meeting adjourned at 6:20 PM.

Respectfully Submitted:


Julie Enright, Plan Administrator

Approved:


Jim Reardon, Chairman