

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, August 21, 2023, 4:30 PM

Members Present: Jim Reardon, Chairman
Joe Meeske, Secretary
William Crider
Reed Foley
Plan Administrator: Julie Enright
Plan Attorney: Pedro Herrera, Via Conference Call
Consultant: Frank Wan, Burgess Chambers & Associates (BCA)
City Staff: John McKinney, Finance Director
Public: None Present

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, May 15, 2023

Member Foley moved to approve the quarterly minutes of May 15, 2023; the motion was seconded by Secretary Meeske and passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Mr. Frank Wan, Burgess Chambers (BCA), Performance Monitor, quarterly report June 30, 2023

Mr. Wan presented the June 30, 2023 total fund investment performance report. The fund value as of 03/31/2023 was \$38,378,164 and the fund value as of 06/30/23 was \$39,567,161. He reviewed the performance of the Plan noting that the fund was 3.38% quarter to date. Discussed the economic outlook with Credit Card interest rates high, Real Estate losses and low unemployment. International funds Polen and FMI are both doing well.

Presented proposal to simplify portfolio as follows:

1. 15% of assets are in consolidated REITS and Convertibles – propose selling and reinvest in traditional. JP Morgan Private Equity is exclusive provider of FRS. Most investments requires a 10-year investment period but JP Morgan is offering without 10-year requirement. More risk involved then Index funds with private type investments. Investment type in secondaries. Consolidating companies then sell them for more profit.
2. Bridge Financing – Private Credit, borrowing money – Bloomfield is writing loans at interest rates of 12-13%. Propose using 5% from sale of REITS and Convertibles for this option.

Secretary Meeske moved to consolidate REITS and Convertibles to the Traditional Investment as recommended by Burgess Chambers; the motion was seconded by Member Crider. Members Reardon, Meeske and Crider voted for the motion and Member Foley opposed the motion expressing his concern of REITS but not Convertibles. The motion passed.

Mr. Wan also noted the Domestic Equity is overweight and they are pausing International Investment. At next meeting they will review two managers for the Boards consideration. The Board requested a change to the investment report to clarify contributions to show as “Net”. Mr. Wan will follow up on this.

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Pedro Herrera, Plan Attorney

1. Burgess Chambers will provide updated Investment Policy statement to the Board at the next meeting to include HB3.
2. Division of Retirement and FPPTA conference is scheduled for October 1-3, 2023.

Julie Enright, Plan Administrator

- A. Retiree death audit – no deaths reported by custodian bank
- B. Received state approval of the 2022 Annual Report and acknowledge pending receipt of state money in the amount of \$521,444.82
- C. Submitted the following documents to the City to be posted on the website: History of investment returns; Section 112.64 Compliance statement and Actuarial Valuation
- D. Receipt of annual benefit statements for members from Plan Actuary
- E. Acknowledge continued disability confirmation for Jamie Wilds and Carol Calache
- F. Coordinated Disability application with Pension Attorney and Thomas Dubrule. Propose date for Disability Hearing
- G. Submitted application for renewal of fiduciary liability insurance. Pending receipt of renewal fee
- H. Ordinance approved by City Council 7/18/23 and forwarded final copy to the Actuary, Attorney and Division of Retirement
- I. Approval for Union to use Pension Actuary for preparing cost impact of benefit proposals
Secretary Meeske moved that the Union may use the Pension Actuary for preparing cost impact of benefit proposals at the cost to the Union; the motion was seconded by Member Foley and passed unanimously.
- J. Next meeting scheduled for November 20

NEW BUSINESS

1. Consideration of annual administrative expense budget for submittal to the City and availability to Plan Members for Fiscal Year 2023/2024
Secretary Meeske moved to approve the annual administrative expense budget for submittal to the City and availability to Plan Members for Fiscal Year 2023/2024; the motion was seconded by Member Foley and passed unanimously.

OLD BUSINESS

Discussion of expense and services provided in a separate audit
Discussion ensued regarding the expense and services provided in a separate audit. Finance Director McKinney noted that the City performs pension audit to meet State Compliance. The Board requested the Plan Administrator to provide a sample from the Police Audit and ask the auditor to attend the next Board meeting.

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RATIFICATION: DISBURSEMENTS/RETURN OF CONTRIBUTIONS and DEPOSITS

1. Sugarman & Susskind, Professional Services dated 8/2/23 **\$2,443.09**
2. First State fees for custody bank for quarter end **6/30/23**, total fees: **\$4,556.25**
3. Fiduciary Management Inc. **6/30/23** quarterly fee in the amount of **\$3,878**
4. Burgess Chambers, Performance Monitor, **6/30/23** quarterly fee - **\$8,902.61**
5. SSI, quarterly end **6/30/23** quarterly fee - **\$6964**
6. American Realty Advisors – **6/30/23** quarterly fee -**\$6,180.39**
7. Integrity Fixed Income Management – **6/30/23** quarterly fee in the amount of **\$4,941.88**
8. Julie Enright, Professional Services - **\$8,103.63** (quarterly administration fees paid for (May, June, July); mileage and copy charges in the amount of \$96.29
9. Polen Capital Management quarter end **6/30/23** in the amount of **\$5,480.03**
10. Foster & Foster invoice dated 8/9/23 in the amount of **\$8,820.00**
11. Distribution of annual COLA'S for June, July, August to: G. Bastain, Breedlove, Jones LaFond, Thomas, D. Bastain, Sheridan, Tufano

RETIREMENTS/CONTRIBUTION REFUNDS

1. Refund of employee contributions for non-vested member Nathan Burhans in the amount of \$11,958.81.
2. Purchase of four years military credited service for new hire Kimberly DeYoung in the amount of \$13,512.00.

Member Foley moved to approve disbursements/return of contributions and deposits, and retirements/contribution refunds as listed above; the motion was seconded by Secretary Meeske and passed unanimously.

STAFF REPORTS, DISCUSSION, AND ACTION - None

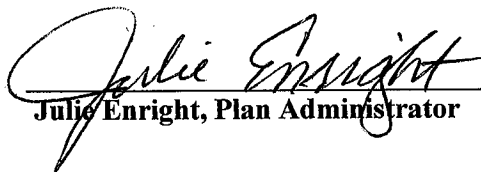
TRUSTEES' REPORTS, DISCUSSION, AND ACTION

REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; meeting adjourned at 6:08 PM.

Respectfully Submitted:

Approved:


Julie Enright, Plan Administrator


Jim Reardon, Chairman