

CITY OF PORT ORANGE
FIRE AND RESCUE PENSION BOARD OF TRUSTEES QUARTERLY MEETING
MINUTES
Monday, November 20, 2023, 4:30 PM

Members Present: 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)
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 three members present.

APPROVAL OF MINUTES – Quarterly Meeting, August 21, 2023

Member Foley moved to approve the quarterly minutes of August 21, 2023; the motion was seconded by Member Crider and passed unanimously.

REPORTS (ATTORNEY/CONSULTANTS)

Consensus of Board to move Agenda item 3. Auditor Zach Chalifour with James Moore to provide an overview of additional auditing services and associated fees.

Mr. Chalifour presented an overview of their financial statement and auditing services. Attorney Herrera advised that the State allows separate financial statements and about a quarter of plans do so. Noted is that James Moore does the City's financial Statement audit which includes pension fund. Discussed the auditing process, including high level review of actuarial valuation, testing of data at the participant level for example payroll testing for policy compliance, benefit testing with review of member data and COLA calculations. They also conduct a review of the internal control for compliance with policy. Fee options: 1 year is \$20,000 or 3 year cost is \$15,000/year (\$45,000) and then future years would be reduced gradually to \$13,000 and \$11,000. Also, available option for different scopes of services can be provided. For example, review of pensionable wage has a fee of \$5,000. The option for scoping services could be agreed upon procedure engagement to do certain options such as census data test. Noted that some of a full audit might be redundancy and unnecessary expense.

Discussion ensued regarding the advantage of separate audit and whether there is a return on investment for the audit with review of the cost and benefits. Mr. Chalifour advised that an audit is more like an insurance plan. Discussed internal controls are a cost benefit based on reduced risk of error. Discussion continued regarding how to resolve issues; such as if a member is getting too much. Don't want to be in position to chase down retirees and say that you owe money. In addition, if information was not available, the auditor would note in the report unable to obtain data.

Consensus of the Board is to table discussion.

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Consensus of Board to Move Agenda Item 2. Presentations, A. JP Morgan and B. Bloomfield Capital

A. JP Morgan

JP Morgan Private Equity Funds, investment is 3-5 years, performance fees are 25 basis point fee. Option for liquidity on quarterly basis subject to Board approval. Liquidity up to 5% institutional investment.

B. Bloomfield Capital

Bloomfield Capital Private Credit funds, issue loans with duration of 24 months, would be in a group, fees are 1.5% of called Capital, minimum commitment is \$1 million. Option for duration of investment.

Continue discussion at future meeting.

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

Mr. Wan presented the September 30, 2023 total fund investment performance report. The fund value as of 09/30/23 was \$38,788,548 with quarterly returns of -3.7% and fiscal year to date returns of 9.1% net of fees.

Mr. Wan reviewed the investment policy statement revisions as follows: added HB3 language, review of targets, changed Private Real Estate to Private Assets, deleted REITS and convertible securities.

Member Foley moved to approve the investment policy statement revisions as presented; the motion was seconded by Member Crider and passed unanimously.

Pedro Herrera, Plan Attorney

1. The Investment Policy statement has been revised for HB5 Bi-Annual Report to satisfy requirements of compliance. The Board is required to authorize the Plan Administrator to file the pecuniary factor on behalf of the Board.

Member Foley moved to authorize the Plan Administrator to file the pecuniary factor on behalf of the Board; the motion was seconded by Member Crider and passed unanimously.

The Board is also required to authorize the Plan Administrator to access the State portal to confirm compliance with the State, certifying that the Board is in compliance and to agree to the terms and conditions attestation.

Member Foley moved to authorize the Plan Administrator to access the State portal to confirm compliance with the State, certifying that the Board is in compliance and to agree to the terms and conditions attestation; the motion was seconded by Member Crider and passed unanimously.

2. Reviewed ethics regarding gifts as follows:

\$25 or less may be kept

\$25-\$100 should be recorded by the company

\$100 or more should not be accepted and form filed identifying disposition of the gift.

Attorney's office annual holiday gift would be donation to local food banks around State. Discussed option Of donation to another organization. Consensus of the Board to request donation to that organization.

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Julie Enright, Plan Administrator

- A. Retiree death audit – no deaths reported by custodian bank
- B. Submitted annual FY 2023/2024 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. FPPTA Trustee School scheduled for January 28-31 at the Rosen Centre Orlando
- E. Proposed meeting schedule for 2024 (February 26, May 20, August 19, November 18)
Member Foley moved to approve the meeting schedule for 2024 as presented; the motion was seconded by Member Crider and passed unanimously.
- F. Next meeting scheduled for February 26

New Business

Consideration/approval of detailed accounting of paid administrative expenses during Fiscal Year 2022/2023 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 2022/2023 for submittal to the City and availability to Plan members (and actuary for the Division of Retirement with the Annual Report); the motion was seconded by Member Crider and passed unanimously.

Old Business - None

Ratifications: Disbursements/Return of Contributions and Deposits

1. Sugarman & Susskind, Professional Services dated 10/10/23 **\$7,590.00**
2. First State fees for custody bank for quarter end **9/30/23**, total fees: **\$4,556.26**
3. Fiduciary Management Inc. **9/30/23** quarterly fee in the amount of **\$3,790**
4. Burgess Chambers, Performance Monitor, **9/30/23** quarterly fee **\$8,727.42**
5. SSI, quarterly fee, **9/30/23** quarterly fee - **\$6,577**
6. American Realty Advisors – **9/30/23** quarterly fee -**\$5,867.16**
7. Integrity Fixed Income Management – **9/30/23** quarterly fee in the amount of **\$5,068.82**
8. Julie Enright, Professional Services - **\$8,103.63** (quarterly administration fees paid for August, September, October); mileage and copy charges in the amount of \$101.12
9. Polen Capital Management quarter end **9/30/22** in the amount of **\$4,399.30**
10. Fiduciary Liability Insurance renewal effective 10/5/23 in the amount of **\$4,576.50**
11. Distribution of annual COLA'S for September, October, November to: Binetti, Carter, Dibella, Parker, Zimmerman, Kondos, Largent
12. FPPTA 2023 and 2024 annual CPPT certification renewal for Joe Meeske in the amount of \$31 each – Total \$62.00
13. FPPTA 2024 Annual membership renewal in the amount of \$750.00

Member Foley moved to approve items 1-13 as listed above; the motion was seconded by Member Crider and passed unanimously.

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Retirements/Contributions Refunds

14. Thomas Dubrule Disability Life Annuity only effective 9/15/23
Member Foley moved to approve Thomas Dubrule disability, life annuity only effective 09/15/23; the motion was seconded by Member Crider and passed unanimously.

STAFF REPORTS, DISCUSSION, AND ACTION - None

TRUSTEES' REPORTS, DISCUSSION, AND ACTION

Member Foley moved to amend the 9/14/23 disability hearing Minutes to correct the name to Thomas Dubrule; the motion seconded by Member Crider and passed unanimously.

REQUESTS FROM THE PUBLIC/EMPLOYEES PRESENT - None

ADJOURNMENT – There was no further business; meeting adjourned at 7:00 pm.

Respectfully Submitted:


Julie Enright, Plan Administrator

Approved:


Jim Reardon, Chairman