

**CITY OF PORT ORANGE  
POLICE OFFICERS' PENSION BOARD  
MAY 20, 2024**

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Monday, May 20, 2024 in the Police Department Training Room, 4545 Clyde Morris Boulevard, Port Orange, Florida.

**MEMBERS PRESENT:** Chairman Warren Carman (fifth member)  
Drew Bastian (resident member)  
Brian Schnibben (police member)  
Richard Clark (police member)  
Brian Cobb (resident member)\*

**CONSULTANTS:** Pedro Herrera, Attorney – *Sugarman, Susskind, et al\**  
Tyler Grumbles, Investment Consultant – *Mariner Institutional*  
Chad Little, Actuary – *Freiman Little Actuaries*  
Karan Rounsavall, Plan Administrator

**CITY STAFF:** Linda Truitt, Assistant City Manager

Chairman Carman called the meeting to order at 3:13 p.m. A quorum was in attendance. \*Attorney Herrera and Trustee Cobb attended the meeting via video conferencing. (Zoom hosted by City of Port Orange) The Board welcomed Richard Clark, newly elected police member.

**APPROVAL OF MINUTES**

*Member Clark moved to approve minutes of quarterly meeting February 26, 2024 and special meeting March 6, 2024 as submitted. Member Schnibben seconded the motion; it carried unanimously.*

**ELECTION OF OFFICERS**

It was necessary to elect a new board secretary given the recent resignation of Member William Proctor. The floor was open for nominations. Member Clark nominated Brian Schnibben. Member Schnibben nominated Richard Clark. Member Clark withdrew his nomination for Brian Schnibben. *Member Richard Clark was elected as board secretary by acclamation.*

**OFFICER AND TRUSTEE REPORTS** - None

**CONSENT AGENDA**

- A. Approve plan expenditures as follows:
1. Sugarman, Susskind, et al – monthly retainer for February - \$2,600.  
*Recommendation:* Ratify payment.
  2. Sugarman, Susskind, et al – monthly retainer for March 2024 - \$2,600.  
*Recommendation:* Ratify payment.
  3. Sugarman, Susskind, et al – monthly retainer for April 2024 - \$2,600.  
*Recommendation:* Ratify payment.
  4. Plan Administrator Karan Rounsavall – monthly fee (February 2024, March 2024, and April 2024) - \$9,900. *Recommendation:* Ratify payments.

5. James Moore & Co. – final billing for 2023 audit - \$6,000. Recommendation: Ratify payment.
6. Freiman Little Actuaries – contracted actuarial services (March 30, 2023 thru September 30, 2023) - \$23,625. Recommendation: Ratify payment.
7. Freiman Little Actuaries – supplemental actuarial services (March 30, 2023 thru September 30, 2023) - \$4,500. Recommendation: Ratify payment.
8. Freiman Little Actuaries – contracted actuarial services (October 1, 2023 thru April 26, 2024) - \$25,800. Recommendation: Ratify payment.
9. Freiman Little Actuaries – supplemental actuarial services (October 1, 2023 thru April 26, 2024) - \$2,300. Recommendation: Ratify payment.
10. AndCo Consulting – investment consulting and performance monitoring services for quarter ended March 31, 2024 - \$11,054.25. Recommendation: Ratify payment.
11. First State Trust Company – custodial services for quarter ended March 31, 2024 - \$4,625. Recommendation: Ratify payment.

*Member Bastian moved to ratify plan expenses as recommended. Member Schnibben seconded the motion which carried unanimously.*

- B. Acknowledge refund of member contributions for Nicole Avila (non-vested member) in the amount of \$22,084.43

Officer Avila received and signed *the Special Tax Notice* provided by the plan administrator. *The Pension Board acknowledged her refund as stated.*

## **CONSULTANT REPORTS**

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

- A. Review of annual valuation for fiscal year ending September 30, 2023

The Police Pension Board received and approved its annual valuation for fiscal year ending September 30, 2023 at its previous meeting (February 26, 2024). Actuary Chad Little was not physically present at that meeting and presented a condensed version of the valuation via zoom. At this time, Mr. Little reviewed the annual valuation in depth from an instructional standpoint, particularly for the benefit of the newer trustees.

No action was necessary as this was an informational item.

### **Tyler Grumbles – Mariner Institutional (f/k/a AndCo Consulting (Investment Consultant)**

- A. Investment Performance Report for quarter ended March 31, 2024

Mr. Grumbles advised that the acquisition of AndCo Consulting by Mariner, LLC was effective as of April 2, 2024. As previously reported, Mariner Institutional operated as a wholly owned subsidiary of Mariner serving as the institutional platform of the parent company. Mr. Grumbles went on to present the investment performance report and economic commentary for the quarter ended March 31, 2024. The economy remained strong with the S&P 500 returning 10.6 percent for the quarter. Inflation data was improving but not as much as hoped. The Federal Reserve held steady on any interest rate cuts during the first quarter, however, domestic equities rallied on expectations of a more favorable interest rate environment later in 2024. Growth sectors continued to outperform value. International equities were also positive while fixed income was slightly negative. Markets overall experienced some pullback in April but since rallied.

Total market value as of March 31, 2024 was \$63,971,262 up from \$61,004,427 for the previous quarter ended December 31, 2023. On a percentage basis, the composite portfolio was up 5.07 percent for the quarter (net) which ranked in the 47<sup>th</sup> 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 holdings.) Fiscal year-to-date, the fund was up 13.53 percent; for the trailing 12 months, the pension fund was up 14.93 percent. Both time frames substantially exceeded the assumed rate of return of 6.85 percent. The fund's value as of the prior day's close was \$64,334.612.

All asset classes remained within acceptable ranges and in compliance with the *Investment Policy Statement*. There was no recommendation for rebalancing.

Mr. Grumbles commented on the persistent underperformance of Oakmark International (international equity strategy). He recommended that the pension board proceed with a search for a new international equity manager at the next meeting. *There was no objection to the consultant's recommendation for a new manager search in this asset class.*

*The board acknowledged receipt of the performance report as presented.*

Pedro Herrera – Sugarman, Susskind, Braswell & Herrera (Attorney)

- A. Update on appeal filed by Kim Braddock (appellant/ex-spouse) in the matter of forfeiture of retirement benefits for Steven Braddock

There was no change since the last quarterly meeting in the matter of this appeal. It was still pending review by a panel of judges in the Fifth District Court of Appeal. Dockets were backed up and it could be some time before a decision was rendered. There was no deadline for judges to issue a ruling. The plan's fiduciary insurance paid all costs associated with the claim.

Karan Rounsavall (Plan Administrator)

- A. Educational Opportunities:
- Florida Public Pension Trustees Association (FPPTA) – Annual Conference at Renaissance Orlando/Sea World – June 23 – 26, 2024

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

- B. Pending revisions to Summary Plan Description

The latest publication of the Summary Plan Description (SPD) was approved in 2021. Several substantive changes to the pension plan needed to be included in the next publication, specifically, line-of-duty death benefits and recent collective bargaining changes (average final compensation, normal retirement age, and DROP eligibility). The attorney was working on revisions to the SPD.

- C. Annual financial disclosure filing deadline

Financial disclosure statements were to be electronically filed directly with the Florida Ethics Commission with a username and password by the July 1, 2024 filing deadline. The process was different from prior year filings.

\*\*\*

The next quarterly meeting was scheduled for Monday, August 19, 2024.

**OLD BUSINESS** - None

**NEW BUSINESS**

- A. Proposed ordinance implementing changes to pension benefits as ratified in the most recent collective bargaining agreements with IUPA and PBA.

Board members were in receipt of a draft ordinance (No. 2024-10) codifying several benefit improvements to the pension plan as recently ratified in the most recent collective bargaining agreements with IUPA (International Union of Police Associations) and PBA (Central Florida Police Benevolent Association – Lieutenants). In order for the ordinance to proceed to city council, it was necessary to obtain an actuarial impact statement determining the cost of the improvements.

*Member Bastian moved to authorize Freiman Little Actuaries to prepare the impact statement for the proposed ordinance at the city's cost. Member Schnibben seconded the motion which carried unanimously.*

- B. Agreement with Mariner Institutional for investment consulting services

Attorney Herrera reminded the board that it previously consented to the assignment of its investment advisory agreement with AndCo Consulting to Mariner Institutional (February 26, 2024). He reviewed the new agreement for investment consulting services with Mariner Institutional and found it to be in order. He recommended approval thereof.

*It was board consensus to execute the investment consulting agreement with Mariner Institutional (f/k/a AndCo Consulting).*

- C. Ratify normal retirement benefit for Assistant Chief William Proctor upon entry into DROP effective December 1, 2023

*Member Schnibben moved to ratify Assistant Chief Proctor's benefit election. Member Bastian seconded the motion; it carried on an all-yes vote.*

- D. Renewal of fiduciary liability insurance policy with Markel American Insurance Company through Ullico Casualty Group

Plan Administrator Rounsavall presented the renewal quote issued by Markel American Insurance Company through Ullico Casualty Group. The aggregate limit of liability was \$1 million with zero deductible. Waiver of recourse for trustees was included at no additional premium as was an endorsement covering the third-party administrator as an additional insured. The annual premium was \$5,771.14 which was a slight increase over the prior year's premium due to an open claim.

*Board members concurred with renewal of the fiduciary liability insurance policy with Markel American Insurance Company at a cost of \$5,771.14 for the ensuing year (May 31, 2024 through May 31, 2025).*

- E. Periodic review of professional service provider agreements

Pursuant to its adopted policy, the Pension Board routinely reviewed all professional service provider agreements to determine the appropriateness and timeliness of the

terms contained therein. Board members were in receipt of a listing of all consultants and their agreement execution dates.

*Board members expressed appreciation for and satisfaction with all professional service providers. Accordingly, no action was necessary.*

F. Update signature authorization forms for First State Trust Company (custodian) and Chevy Chase Company (ASB Allegiance Real Estate Fund)

There was a newly elected police trustee on the pension board (Sgt. Richard Clark) as well as a retiring member (Assistant Chief William Proctor). Accordingly, it was necessary to execute new signature authorizations for the above-named institutions. Two signatures were required for financial transactions. Plan Administrator Rounsavall would obtain signatures after the meeting.

**PUBLIC COMMENT** - None

**ADJOURNMENT**

The meeting adjourned at 4:30 p.m.



Lt. Warren Carman, Chairman



Karan Rounsavall, Plan Administrator