

**CITY OF VERO BEACH POLICE OFFICERS' RETIREMENT TRUST FUND  
BOARD OF TRUSTEES  
SPECIAL MEETING MINUTES  
City Hall, Council Chambers  
1053 20<sup>th</sup> Place, Vero Beach, FL 32960**

**Monday, October 5, 2020, at 12:30PM**

**TRUSTEES PRESENT:** Gregory Budde  
Matt Harrelson  
Harry Offutt  
Ann Thompson

**TRUSTEES ABSENT:** David Farquharson

**OTHERS PRESENT:** Brad Heinrichs, Foster & Foster  
Siera Feketa, Foster & Foster

- I. **Call to Order** – The meeting was called to order at 12:30PM by Matt Harrelson.
- II. **Roll Call** – As reflected above.
- III. **Public Comments** – None.
- IV. **New Business**
  1. Discussion of amortization period
    - a. Brad Heinrichs briefly reviewed the amortization method and the recent significant gains/losses of the plan. Brad reviewed how the amortization period worked commenting they would save interest if the gains/losses were amortized over a shorter period
    - b. Brad Heinrichs also noted that a shorter amortization period will introduce more contribution volatility.
    - c. Matt Harrelson commented he had not talked to the City regarding the amortization period because the Board was undecided on the matter. Matt briefly reviewed the history of the plan commenting there were not usually significant losses.
    - d. Brad Heinrichs commented this time last year they likely had an actuarial gain. Brad commented it may be a good time to shorten the amortization period because they had a gain. Matt Harrelson commented in looking in the past things were not usually so bad so if there was a time to shorten the amortization period it was now.
    - e. The Board discussed the pros and cons of changing the amortization period. Matt Harrelson commented the argument for it was stronger than the argument against it.
    - f. Brad Heinrichs commented it would be better for the City when there was a gain and there was no initial cost to lowering the amortization period.

**The Board approved changing the amortization period from 25 years to 15 years upon motion by Gregory Budde and second by Ann Thompson; motion carried 4-0.**

2. Discussion of COLA calculation fees
  - a. Matt Harrelson asked what the current fee was for the Cost-of-Living Adjustment (COLA) calculations. Siera Feketa commented it was \$40.00 per calculation.
  - b. Brad Heinrichs reviewed the fees for the COLA calculations commenting it had been the same fee since he took over the firm. Brad commented all clients were charged the same fee.
  - c. Ann Thompson reviewed her discussion with the plan custodian regarding the payment extract they could provide to the actuary to easily calculate the COLAs.

Brad Heinrichs reviewed the reason for the current fee structure. Ann commented it was the fiduciary responsibility of the Board to question the fee.

- d. Brad Heinrichs encouraged the Board to look at the totality of the fees commenting he could not change the fee as it was standard for all clients. Matt Harrelson commented he understood the fees were standard and was very happy with the work provided by Foster & Foster.

**The Board approved the COLA calculation fee of \$40.00 per calculation upon motion by Ann Thompson and second by Gregory Budde; motion carried 4-0.**

- 3. Discussion of member statements
  - a. Matt Harrelson reviewed the member statements prepared by Chad Little and asked Brad Heinrichs if Foster & Foster could mirror the format of the statements. Brad commented they tried to keep the template the same for the benefit statements. Brad commented there was no additional charge for the current benefit statements and stated they could change the benefit statements for an additional fee. Siera Feketa commented she informed the Chairman the portal may be a good option for the plan so members could see the same information that was provided on the previous member statements.
  - b. The Board discussed the member statements and the frequency in which members may run estimates on the portal.
  - c. The Board, Siera Feketa, and Brad Heinrichs discussed the benefits of the portal. The Board discussed the pros of the portal and the benefits to the membership. The Board also discussed the cost savings with other items if they were to purchase the portal.
  - d. Matt Harrelson requested Brad Heinrichs provide the Board with the cost of the member statements. Matt stated the Board would discuss the cost of the member statements in comparison to the portal costs at the next meeting.

V. **Public Comments** – None.

VI. **Adjournment** – The meeting was adjourned at 1:09PM.

VII. **Next Meeting** – The next quarterly meeting, November 18, 2020, at 1:30PM.

Respectfully submitted by:

  
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Siera Feketa, Plan Administrator

Approved by:

  
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Matt Harrelson, Chairman

Date Approved by the Pension Board: 11/18/2020