

**OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT
RETIREMENT BOARD MEETING**

**TUESDAY, JUNE 5, 2018
8:00 A.M.**

**233 RACETRACK ROAD N.E.
FORT WALTON BEACH, FLORIDA**

AGENDA

- 1. Approve Agenda**
- 2. Public Comments**
- 3. Affirmation of Elected Trustee**
- 4. Election of Officers**
- 5. Approve Minutes from March 6, 2018**
- 6. Review of Reports – AndCo, Foster & Foster, Bowen & Haynes, as applicable.**
- 7. Legislative Updates-Paul Daragjati**
 - a) Schedule Disability hearings for Christen & Thibault**
- 8. Salem Trust- Mark Rhein**
- 9. Adjournment**

OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT
RETIREMENT BOARD MEETING MINUTES
March 6, 2018

The Retirement Board meeting for the Ocean City-Wright Fire Control District was called to order by Jeff Wagner at 8:05 a.m. in the Training Room of the Ocean City-Wright Fire Department.

Present: Jeffrey Wagner, Jennifer Benedict, Payne Walker, Clint Aden, Brad Sasser, Tyler Grumbles, and Paul Daragjati

Absent:

Approve Agenda

Motion: Clint Aden
Second: Jennifer Benedict
Discussion: None
Vote: Unanimous

Public Comments

No Comments

Approve Minutes from November 28, 2017 Meeting

Motion: Jennifer Benedict made the motion to approve minutes from 11/28/17.
Second: Payne Walker
Discussion: None
Vote: Unanimous

Approve Minutes from December 11, 2017 Meeting

Motion: Payne Walker made the motion to approve minutes from 12/11/17.
Second: Jennifer Benedict
Discussion: None
Vote: Unanimous

Approve Minutes from February 6, 2018 Meeting

Motion: Payne Walker made the motion to approve minutes from 2/6/18.
Second: Clint Aden
Discussion: None
Vote: Unanimous

Review of Reports

Tyler Grumbles with AndCo presented the Investment Performance Review ending 12/31/17. The quarter performance ended well. Fixed investments saw lower returns, but interest rates are rising. Overall \$600,000 return ending 12/31. Top percentile in Equity portfolio & 95th percentile in Fixed Income. He also presented the Asset Allocation Study. He advocates for us to lower our assumption rate. We do not need to do so today, but we should consider lowering

to 7%, in increments. We are in line with other plans now, but should consider lowering before next actuary report is due.

Legislative Updates

Paul Daragjati provided legislative updates regarding SB 980, IRS Code 401(a)(9), and IRS Standard Mileage Rate for 2018.

Approve Restatement of Plan

Motion: Jennifer Benedict made the motion to approve the restatement of the plan.
Second: Payne Walker
Discussion: None
Vote: Unanimous

Approve Summary Plan Description

Motion: Jennifer Benedict made the motion to approve the Summary Plan Description.
Second: Brad Sasser
Discussion: None
Vote: Unanimous

Approve Actual Administrative Expenses FY 16-17

Motion: Jennifer Benedict made the motion to approve the actual administrative expenses for FY 16-17.
Second: Brad Sasser
Discussion: None
Vote: Unanimous

Approve Foster & Foster Second Addendum Actuarial Services Agreement

Motion: Payne Walker made the motion to Approve Foster & Foster Second Addendum Actuarial Services Agreement.
Second: Jennifer Benedict
Discussion: None
Vote: Unanimous

ADJOURNMENT

Motion: Jennifer Benedict made the motion to adjourn the meeting at 8:40.
Second: Brad Sasser
Vote: Unanimous

Electronic Communication.

Client is responsible for obtaining, installing, maintaining and operating all necessary hardware, software and Internet access services necessary for performing online services. Custodian will not be responsible for failure or loss resulting from the malfunction or failure of Client's hardware, software or Internet service. Client and its authorized agents are responsible for installing, updating and maintaining appropriate firewall, anti-virus and anti-spyware protection and all operating system security patches and other appropriate security protection methods, procedures and devices. Client agrees that instructions or communications to Custodian made via email or the Internet shall be made in an encrypted format. Custodian is not responsible for losses resulting from its following instructions or communications received in an unencrypted format and reasonably believed to have been initiated by Client. Custodian shall not be liable for any loss or damages resulting from a breach or failure of Client's hardware or software such as firewall, anti-virus and anti-spyware, including losses or damages resulting from Client, including any of Client's directors, officers, employees or agents, having been fraudulently deceived or manipulated by a third party into divulging security or logon authentication information or inducing or causing improper direction to Custodian or Client. Custodian is not liable for any loss attributable to the generation or transmission of any instruction to Custodian or any third party resulting from Client or Client's directors', officers', employees' or agents' hardware, software, email or electronic communications systems having been compromised.



An Authentic DifferenceSM

April 30, 2018

RE: 40% Reduction of Class Action Processing Fee

I am happy to announce that Salem Trust Company has renegotiated its contract with Chicago Clearing Corporation (CCC) for pursuing securities class action lawsuits for our clients. Several years ago, when it became evident that class actions were being filed at much greater frequency, it became clear that our clients would benefit from the integrated services of a specialist that could monitor a client's investments for class actions, and then file, track and finally ensure that settlements were promptly received. We chose CCC and have continued to partner with them to this day. Due to the length of our relationship, and the volume of settlements they have processed for our clients, our clients will receive a reduction to 12% on settlements after April 13, 2018. Claims that have already settled will remain at the previous rate of 20%. CCC will continue to not charge a fee to file a class action lawsuit. As you know, there is also no charge or compensation by Salem Trust for this service.

On behalf of our clients, Salem Trust continues to research and negotiate financial services partnerships. Being an asset custodian, to us, also means being an attentive partner, one who seeks to help you safeguard your assets and prudently manage your expenses. If you have any questions about class action processing or any other aspect of the service we offer, please do not hesitate to contact me.

Regards,

Mark F. Rhein, President & CEO
Mark.Rhein@salemtrust.com (813) 288-4991

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www.salemtrust.com

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Salem Trust Company Directions for Processing Class Actions

By placing your initials next to one of the two options below, please choose option A or B to confirm your direction(s) to Salem Trust Company for processing class actions on behalf of your pension plan. An authorized signer (s) for your plan should sign and date the bottom of this form and return to us as soon as your plan's procedures permit.

Please initial one of the following choices:

_____ **Option A: Salem Trust Company should provide class action service to our plan.**

If you choose this option, Salem Trust will provide complete class action service on your behalf. After any claim is settled, CCC will deduct from the monetary award, a current fee equal to 20% of the award. Salem will deposit the net proceeds to the pension plans account.

_____ **Option B: Salem Trust Company should NOT provide class action service.**

If you choose this option, should a class action claim apply to a security held in your account, Salem Trust will not notify you nor will we pursue a claim on your behalf. All class action claims processing activities need to be provided by other service providers.

Pension Plan Name: The City of Ocean City-Wright Fire District Firefighters Pension

Authorized Signer: _____ **Date** _____

Authorized Signer: _____ **Date** _____

SALEM TRUST COMPANY

INFORMATION TECHNOLOGY SECURITY

OVERVIEW

The release of specific procedures and practices would compromise the integrity of the Company's data security processes. However, we can provide general information on our approach to cyber security and, more generally, to ensure the security of our systems.

Salem Trust Company employs many components to properly secure its data. It follows the guidelines established by the Federal Financial Institutions Examination Council ("FFIEC") and has a framework to provide security at all levels of critical infrastructure. Salem's Information Security Policy and Procedures Manual was developed to govern all aspects of our Information Services usage and has been reviewed by the Company's Board of Directors. Our Technology Risk Management Framework is implemented through our Technology Steering Committee and the Information Technology Director.

The security methods used by the Company include, but are not restricted to:

- Performing scheduled risk assessments of critical systems and vendors
- Enforcing proper account administration and reviews to protect data
- Employing independent agents to audit systems and perform random tests of security procedures
- Maintaining hardware and software inventory
- Utilizing aggressive vulnerability remediation
- Using encrypted email transmission of confidential client information
- Deploying Anti-Virus solutions
- Employing backup and disaster contingency planning
- Deploying Firewall and Intrusion Detection programs to protect against internet threats
- Training employees to recognize threats to the organization
- Maintaining appropriate levels of insurance

Additionally, the company protects its data against threats by preparing its Business Continuity Plan (BCP). This document establishes several key components of the company's disaster readiness. It consists of:

- Risk Assessments
- Business recovery objectives
- Recovery instructions
- Methods of protecting against numerous threats to business continuity
- Backup and Recovery step
- Testing requirements

Through a proper Information Systems Policy and a Business Continuity Plan, the company provides data security to its clients and vendors.



An Authentic DifferenceSM

Salem Trust Service Report Summary

For the period ending March 31, 2018

Published Date: April 30, 2018



Ocoee, FL:

Ocoee's downtown revitalization plan (above), being discussed in a public forum (right)



Our Definition of Reliability:

An Authentic DifferenceSM is a promise of transparency. Each quarter, we publish a report of operation stability and performance for the benefit of every client and industry partner. This Service Report Summary tracks 5 primary categories essential to core custody services. This summary is condensed from a comprehensive quarterly performance scorecard containing 17 discrete tasks, also available by request. Based on data used by our independent auditors and government regulators, we objectively compare how we have performed in relation to our goals. Our objective is to deliver better service to clients and their service partners by analyzing how the average performance can be improved.

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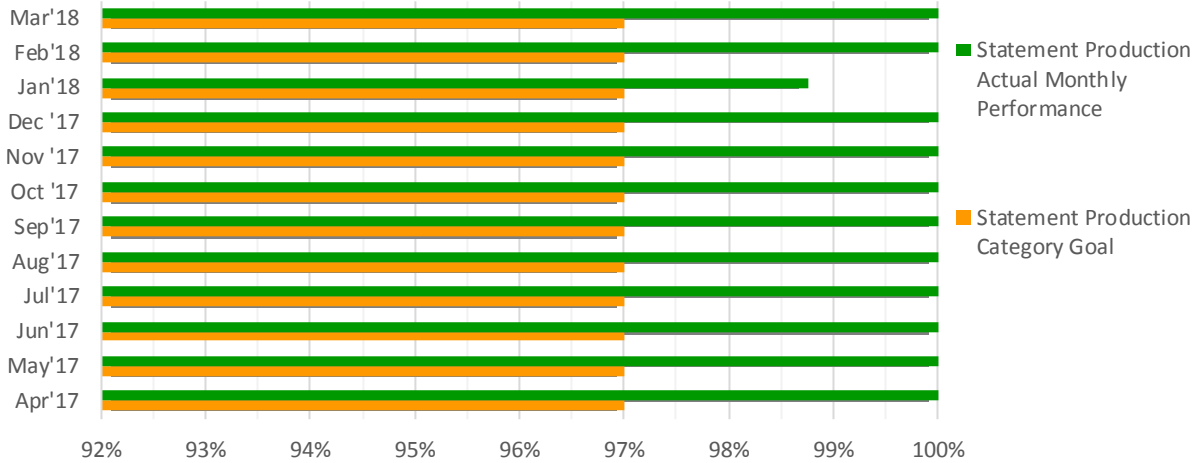
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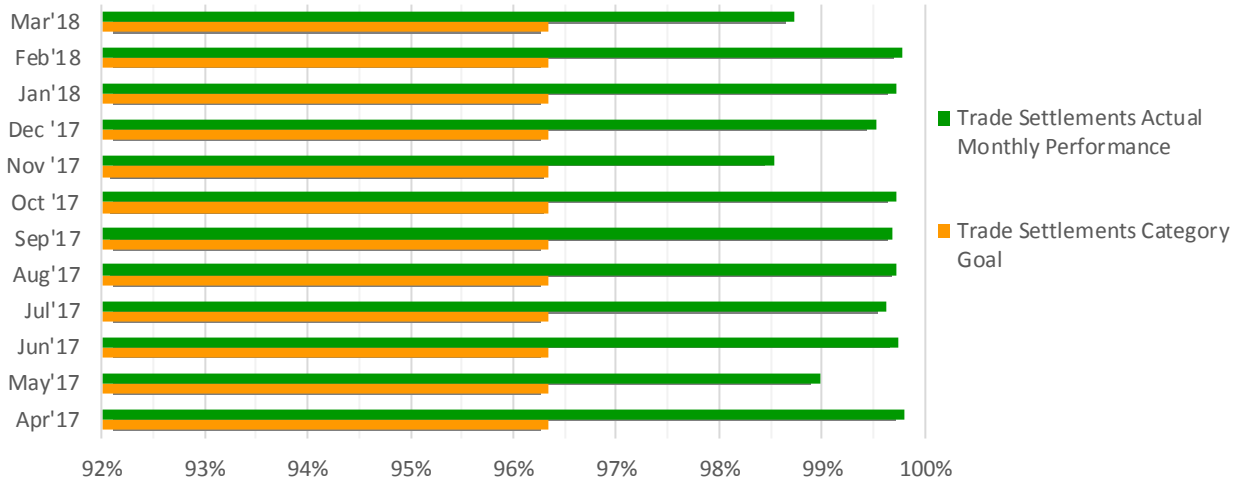
Client Statement Production:

Tracks when statements are released to our clients.



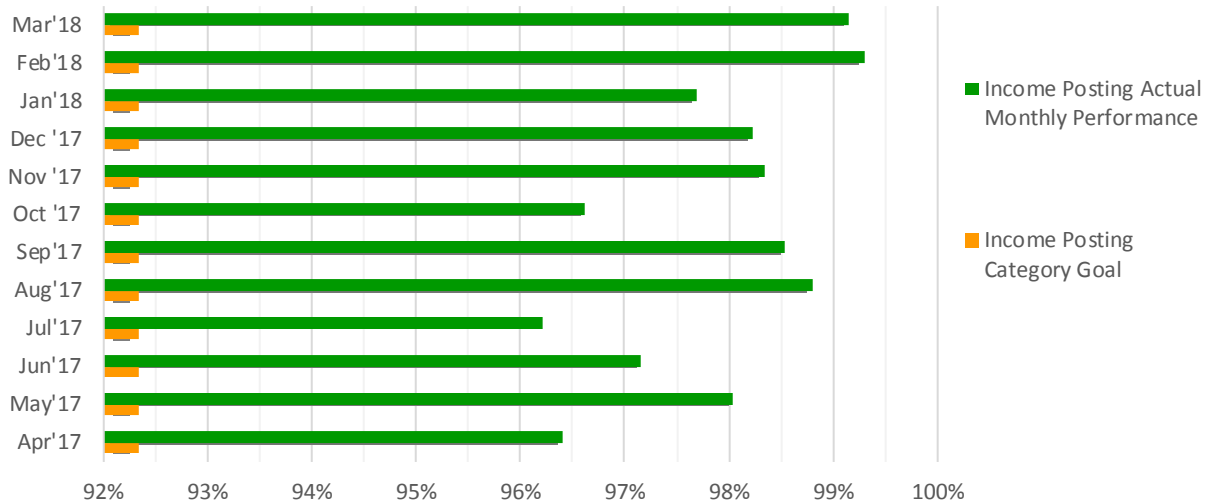
Trade Settlements:

Measures how many securities are posted by their settlement dates.



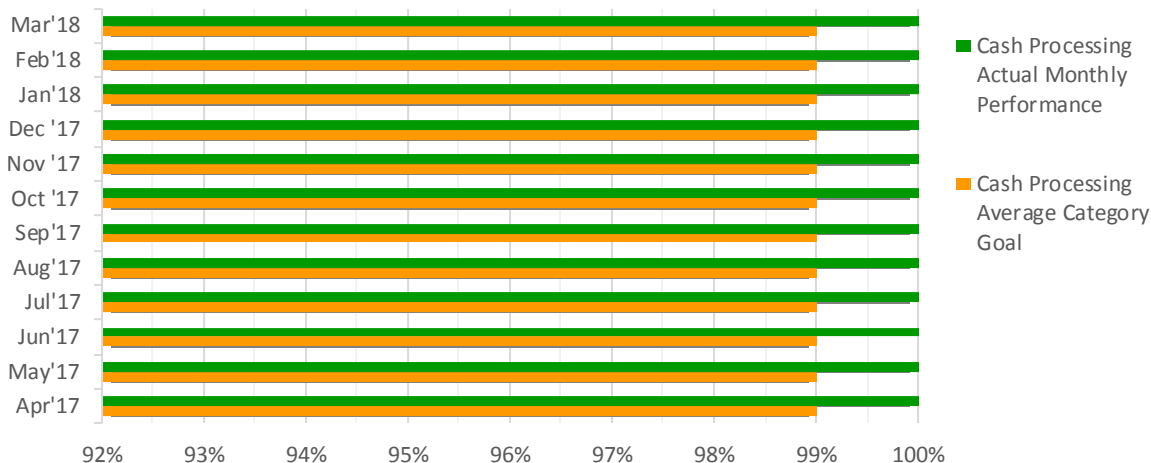
Income Posting:

Measures all types of income, including interest, dividends, capital gains and pay downs.



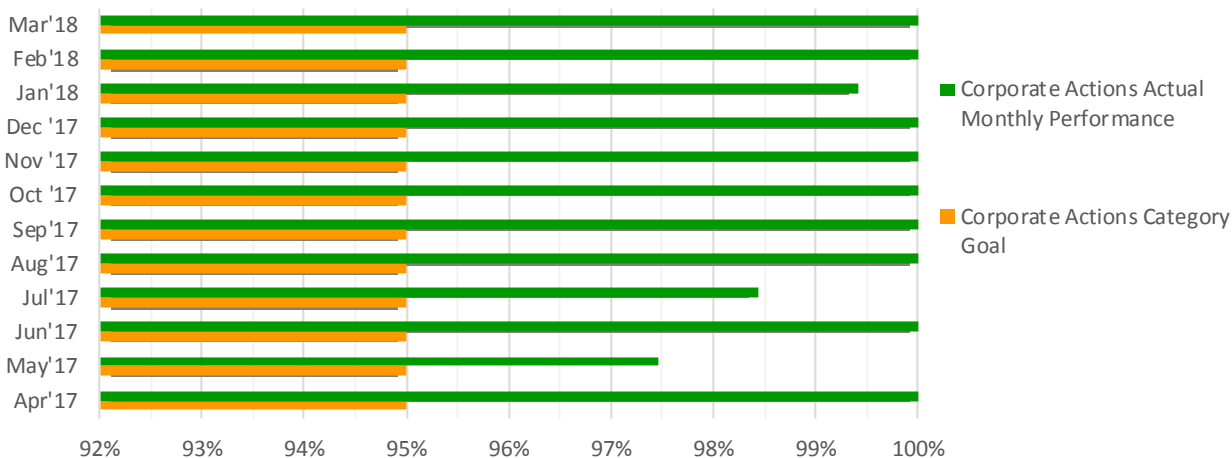
Cash Processing:

Tracks when wires, ACHs and checks are produced or transmitted.



Corporate Actions:

Measures the completion of stock splits, company reorganizations and stock calls.



Client Service Totals as of March 31, 2018:

Client relationships

- Client assets under administration: \$8.1 billion
- Client relationships: 214

Client service ratio

- Full-time Salem Trust client services employees: 8
- Average number of client relationships per Salem Trust relationship manager: 54

Benefit payments

- Monthly recurring payments made in past 12 months: 81,276
- Lump sum payments made in past 12 months: 1,574

Securities movement

- Number of security positions held: 28,182 (excluding money market funds)
- Number of securities trades processed in past 12 months: 153,247

Discrete Tasks per Service Category:

Listed below are the individual tasks, with their goals, for each category tracked in the comprehensive quarterly performance scorecard. The graphs in this Salem Trust Service Report Summary average all discrete tasks within a category.

Client statement production performance base:

- Standard statements released for print within 5 business days: 99%
- Employee benefit statements release for print within 10 business days: 95%

Trade settlements performance base:

- Money market trades posted on settlement date: 99%
- Mutual fund trades posted on settlement date: 95%
- DTC and Fed trades posted on settlement date: 95%

Income posting category performance base:

- Money market dividends posted within 1 business day of payable date: 99%
- Mutual fund dividends and capital gains distributions posted within 3 business days of payable date: 95%
- Book-entry DTC dividends posted within 1 business day of payable date: 95%
- Book-entry Fed interest posted within 1 business day of payable date: 85%
- MBS, CMO & asset-backed principal paydowns posted within 2 business days of payable date: 90%
- MBS, CMO & asset-backed interest posted within 2 business days of payable date: 90%

Cash processing category performance base:

- Wire transfers transmitted on same business day: 99%
- ACH transfers transmitted on same business day: 99%
- Checks produced on same business day: 99%

Corporate actions category performance base:

- Stock splits & stock dividends posted within 1 business day of ex-date: 95%
- Exchanges, spinoffs, mergers & all other reorgs posted within 1 business day after receipt: 95%
- Maturities & full calls posted within 1 business day of maturity or call date: 95%

Investment products and services are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by, Salem Trust Company, its parent company or any affiliate, are not federally insured or guaranteed by the United States Government, Federal Deposit Insurance Corporation, Federal Reserve Board or any other governmental agency, and are subject to investment risks, including possible loss of the principal amount invested.

Investments are:

Not FDIC INSURED	May lose value	Have no bank or trust company guarantee
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