

On **Monday, October 10, 2022**, the **RETIREMENT BENEFITS COMMITTEE (RBC)** of the Greater Orlando Aviation Authority met in Carl T Langford Board Room at the Orlando International Airport (OIA), One Jeff Fuqua Blvd., Orlando, FL. The meeting, having been posted in accordance with the Florida Statutes, was called to order by Chairperson Bond at 9:07 a.m. with a quorum in attendance.

Retirement Benefits Committee Members present:

Kathy Bond, Chairperson, Senior Director of Human Resources and Risk Management
Tianna Dumond, Vice-Chairperson, Director of Internal Audit
Tom Draper, Chief of Operations
Abdu El-Baroudi, Manager, Cost Control & Contracts
Pete Pelletier, Director of Information Technology
Kathleen Sharman, Chief Financial Officer (arrived at 9:22 a.m.)

GOAA Staff Support present:

Denise Andrews, Human Resources
Luis Aviles, Purchasing
Randy Hudgins, Human Resources
Kandyce Moss, Recording Secretary, Human Resources

Consultant(s) present:

Jon Breth, AndCo Consulting (via phone)
Jo Thacker, Nelson Mullins

CONFLICT OF INTEREST

1. Ms. Bond read the Conflict of Interest Statement noting with regard to today's agenda, please state if you have any conflicts of interest to disclose, whether to your knowledge any person has violated the Aviation Authority's lobbying activities policy for any agenda item, and whether to your knowledge any person has communicated with you contrary to the Florida Sunshine law with respect to today's meeting.

A roll call was conducted with the RBC and no conflicts were acknowledged.

QUARTERLY PERFORMANCE REVIEW

2. Mr. Breth provided a monthly flash report.

DB Plan: The quarter started off strong with a gain in the equity portfolio through mid-August. There has recently been three (3) 75 bps rate hicks by the Feds, this has been unprecedented but we also have not seen inflation numbers like they are today in 40 to 50 years.

The DB Plan was down 2.8% for month of August but was able to outpace the benchmark. Unfortunately, it looks like there will be a loss in September.

OPEB Trust: May see lower absolute performance year to date as there is not any underlying growth. The asset allocation is in line and the cash account is good.

Mr. Breth does not recommend any rebalancing at this time and will review again at the next quarterly meeting.

EVALUATION AND RANKING – PS-708 - Custodial Services RFQ

3. Ms. Bond read the Lobbyist Statement and appeal process; advised no public was present. Ms. Bond advised, two (2) proposals received; Comerica Bank (Comerica), the incumbent, and Fiduciary Trust International (FTI).

A summary matrix was provided which was completed by a staff review; Mr. Aviles, Ms. Andrews and Ms. Moss. Ms. Bond advised at a previously meeting, it was decided to use a scoring of Outstanding, Very Good, Good, Acceptable, and Unacceptable. Ms. Bond stated Ms. Thacker was in attendance to assist the RBC with the review and answer any questions.

Mr. Aviles advised, Staff reviewed and pulled information from the proposals to complete the summary matrix.

Mandatory / Minimum requirements:

Mr. Aviles provided an overview of the mandatory and minimum requirements for each of the proposals. Ms. Thacker advised proposals have to meet the mandatory requirements and should meet the minimum requirements. Mr. Aviles stated the mandatory and minimum requirements are scored as meets or not meets.

The RBC reviewed and discussion ensued regarding the questionnaire completed by the Proposers as it is tied to the minimum requirements:

Section A – Overview of the Firm: Both provided similar information, are tenured and established firms. FTI provided a list of clients, Comerica advised the client listing is confidential but noted they have 39 client relationships in Florida. Even though FTI states they do not have an OPEB account, Mr. Breth advised the process is similar to the DB Plan and there are no concerns. FTI did not provide an organization chart, Comerica provided. FTI stated their relationship managers service over 60 accounts, whereas Comerica stated their relationship managers service approximately 23 accounts. Both have investment grade ratings.

Section B – Administration & Client Services: Comerica has a robust legislative and regulatory change to keep their employees updated, while FTI was limited as they receive information by attending local and national industry specific conferences.

Section C – Proxy Administration: No concerns.

Section D – Accounting: Mr. Breth stated based on experience, both accounting systems are fine.

Section E – Reporting: Mr. Breth advised Managers that work with both firms have not had any issues.

Section F – Cash Management: Mr. Breth advised the funds would likely be an outside money market fund, neither would provide internally; both are in line with each other with no issues.

Section G – Security Processing: Mr. Breth advised no real differences in the way the companies handle the process.

Section H – Investment Manager Interactions: Mr. Breth stated he has not heard any negative comments from Managers on how either firm handle interactions.

Section I – Benefit Payments: Ms. Andrews and Ms. Moss advised they did not have any concerns.

Section J – Systems: Mr. Breth stated the approach is slightly different based on the back office functions but the end user experience is comparable. Mr. Pelletier stated FTI provided more of an explanation on how they handle security than Comerica. Discussion ensued and both seem transparent on protocol.

Section K – On-line Capabilities: Mr. Breth advised he has not heard any negative feedback on either company. He did advise it is hard to open up the system to retirees and we may not get that from any company.

Section L – Asset Safe Keeping: No concerns.

Section M – Conversion/Transition Process: Discussion ensued on the identification of the relationship manager for FTI. FTI stated the transition would be approximately 30-45 days, Ms. Sharman asked if that was too short. Mr. Breth responded, based on transitioning benefit payments and Manager set up, the transition would probably take about three (3) months. Comerica provided a detailed transition plan.

Section N – Fees:

Comerica broke down the fees for various services. FTI provided a fee based on 4.5 bps with everything being all inclusive. The 4.5 bps quoted by FTI, based on current market value, will be approximately \$94,000 versus Comerica's total fees at approximately \$56,540. Mr. Breth advised FTI fees are not out of line. Comerica quoted a 2% increase each year and FTI quoted a three (3) year guarantee from contract date.

Section O – Other: No concerns.

Discussion concluded Comerica's proposal was very detailed compared to FTI.

Overall Summary/Rating:

	Comerica	FTI
3.5 – Mandatory Requirements	Meets	Meets
3.6 – Minimum Requirements	Meets Provided everything requested in the proposal	Did not Meet Did not provide everything requested in the proposal
3.7 – Experience and Qualifications		
1. Experience & Qualifications of the Proposer	Very Good	Very Good
2. Organizational Chart & Engagement Team	Very Good	Good Did not provide organizational chart
3. Lead Individual	Very Good 35 years experience	Good 18 years experience
4. Engagement with other Public Entities	Very Good 116 Total Public Entity clients and 27 OPEB clients	Good 45 Total Public Entity clients and no OPEB clients
5. References	Very Good Three (3) references provided and were favorable	Unacceptable No references were provided
3.8 – Claims Information	Acceptable	Unacceptable Did not provide
3.9 – Prior or Pending Convictions, Indictments, Investigations, Fines or Regulatory Investigations	Acceptable	Unacceptable Did not provide
3.10 – Proof of Insurance	Acceptable	Acceptable
Fees	\$56,540	\$94,000

Upon motion by Ms. Sharman, second by Mr. Draper, vote carried to recommend Comerica Bank for Custodial Services based on the facts presented in the proposals, the incumbent is satisfactory to staff, fees and lack of references provided by Fiduciary Trust International.

STATUS UPDATE

4. Dodge & Cox – The recommended share class change, effective 11/29/2022, went to the September Board as an Informational Item.

RBC Meetings Location Change – The meetings will now be scheduled in the Carl T Langford Board Room.

Next Meeting – The next meeting is scheduled for Tuesday, November 1, 2022.

Foster & Foster Project – Foster & Foster, Actuary, was engaged to do a cost analysis of offering retiree health insurance for GOAA employees. The results of the analysis should be available in November.

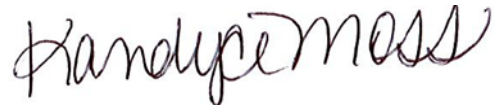
Ms. Sharman, on behalf of the RBC and the Authority, wanted in the minutes, an official resolution of gratitude for the service of Kathy Bond for years of serving as Chairperson of the RBC, as well as her management of Human Resources as she has done an awesome job.

ADJOURNMENT

5. There being no further business to come before the Committee, Chairperson Bond adjourned the meeting at 10:59 a.m.



Randy Hudgins, Chairperson
As of November 1, 2022 meeting



Kandyce Moss, Recording Secretary