

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Special Meeting 09-02**

Held on the 23rd day of January, 2009 at Robert J. Conlan Professional Center, 1501 R. J. Conlan Blvd., NE, Suite 260, Palm Bay, Florida.

This meeting was properly noticed pursuant to law; the minutes are on file in the Office of the City Clerk, City Hall, Palm Bay, Florida.

Richard B. Adams, Chairperson, called the meeting to order at the hour of 9:33 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Brd Appt
William A. Yonce, Sr., Vice Chairman, City Council Appt
Timothy W. Lancaster, Trustee, Police Elected
Douglas R. Smith, Trustee, Fire Elected
James W. Brock, Trustee, City Council Appt

EXCUSED

Also in attendance was Kathy Adams, Board Administrator. Ms. Kristen Courcier and Ms. Tara McKnight, Pension Assistants; Mr. Larry Elmer, Partner, and Clement Johns, Senior Manager, Goldstein Schechter Koch, CPA; Mr. David Ginsburg, President, Palm Bay Professional Firefighters, IAFF, Local 2446; and Ms. Joyce Dias, Human Resources Analyst II also attended. Ms. Lark Janes, Partner, Janes, Key & Dinho, CPA arrived at 9:38 a.m.

PRESENTATIONS:

1. **Mr. Larry Elmer, Partner, and Mr. Clement Johns, Senior Manager, Goldstein Schechter Koch, CPA -Audit for Fiscal Year Ending 9/30/08-**Mr. Elmer reviewed the audit. He reviewed the Statement of Net Assets. He said there was an increase in asset size of \$25 Million plus; a good amount of that was part of the pension obligation bond from the City. He said if you subtract the \$36 Million pension obligation bond from the balance, the difference in contributions by the City and Employees was \$3.3 Million compared to \$3.4 Million for the previous year. The loss of investment was around \$12 Million for 2008 as compared to a gain of \$9 Million in 2007. Of the twelve plans his firm had audited so far, the loss of ten percent (10%) was the least loss of all the plans. Most have been around twelve percent (12%). Mr. Johns said the bond played a roll in this fund having the highest funded ratio at 96% of the plans audited so far. Most plans were around 70-80%. He stated the funding ratio is in good shape. Although there is a significant loss in interest, the fund did receive money in dividends; however, the fund is receiving more interest than dividends. Benefits payments are up \$700,000. The greatest impact was really gains and losses. The pension bond paid off the unfunded liability for the fiscal year. The firefighters' contribution rate increased from 6.86% to 8.76%. Page twelve of the report adds some notes regarding the benefit changes that included the supplemental pay received by police and firefighters. Page fourteen is part of the new Government Accounting Standards Board (GASB) 50. There was no financial impact, but they had to include the fund status and progress. Page twenty-three shows the six-year history and was taken from

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the actuarial valuation report. Page one states they have issued a clean and unqualified opinion. Koch Reiss & Company merged with Goldstein Schechter Koch (GSK) January 1, 2008 and they had to list that prior year's report issued by Koch Reiss. They had to state this, but it's the same people and staff. Mr. Adams asked if it was OK with them that the report be placed on the plan website. Mr. Adams asked if any of their other clients are obtaining an IRS Determination Letter and Mr. Johns said he was seeing that with several clients. Mr. Johns said when the board receives a response that he would like to see it. Motion by Mr. Lancaster, seconded by Mr. Smith to accept the Independent Audit from Goldstein Schechter Koch, CPA for Fiscal Year End 9/30/08 and to distribute the same to the appropriate individuals upon receipt of the final copies. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. The board recessed at 9:51 a.m. and reconvened at 10:00 a.m. Mr. Johns, Mr. Elmer, Ms. Courcier, Ms. McKnight left the meeting and did not return. Mr. Lancaster did not return at this time. The board discussed the day-to-day accounting process with Ms. Janes commenting on the various items to track and the increase in the number of retirees and DROP participants. There was discussion about a possible share plan with firefighters. Ms. Janes said she was receiving the detail DROP information on a monthly basis and that was helpful. She said the international investment transition was working OK. Ms. Janes left at 10:10 a.m. Mr. Lancaster returned to the meeting at 10:10 a.m.

BUSINESS:

1. **Palm Bay Professional Firefighters, IAFF, Local 2446-Pension Re-Opener**-Motion by Mr. Brock, seconded by Mr. Lancaster to authorize Board Attorney, Stephen H. Cypen, to discuss the draft firefighter ordinance language on the Deferred Retirement Option Program (DROP) with City Attorney, James Stokes. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
2. **Termination Rollover Request-Police Officer Michael Schrum**-Ms. Adams said when Officer Schrum left the police department he asked that his funds be left in the plan until retirement. He is now requesting the funds to be rolled over. Motion by Mr. Lancaster, seconded by Mr. Smith to authorize the termination rollover request from Police Officer Michael Schrum. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
3. **Temporary Part Time Clerk Status**-There was discussion about the increasing number of retirees and DROP participants. Mr. Smith said most plans have more staff, but he was not aware of whether or not another position was in the budget. The board discussed paying a part-time temp over the last couple of years, plus budgeting for a part-time employee position. Motion by Mr. Yonce, seconded by Mr. Brock to move forward to retain a second pension staff position. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Yonce, seconded by Mr. Lancaster to retain Ms. Tara McKnight as the second eligible choice from the board's previous ranking list at the same salary and structure as Ms. Courcier, with Mr. Adams preparing the necessary background checks. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
4. **IRS Determination Letter-Chairman's Authorization to Sign Required Documents**-Mr. Adams said he received a package of documents from Holland & Knight requiring board signature for submission

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to the IRS. Motion by Mr. Lancaster, seconded by Mr. Brock to authorize Chairman Adams to sign the required IRS documentation for the IRS Determination Letter. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.


Mr. Lancaster said in dealing with Mr. Elmer and Mr. Johns and staff that the board needs to be pleased for having a higher funding ratio and a good pension plan. He said the board should be pleased with the work that not only they and staff do, but that of Ms. Janes as well.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:33 a.m.


Richard B. Adams, Chairperson

ATTEST:


Timothy W. Lancaster, Secretary