

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Board Meeting 06-08**

Held on the 1st of June 2006 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 9:26 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Brd Appt
James M. Havener, Secretary, Fire Elected
Timothy W. Lancaster, Trustee, Police Elected

EXCUSED

William A. Yonce, Sr., Vice Chairman
City Council Appt
Benjamin J. Kiszkiel, Trustee, City
Council Appt

Also in attendance was Kathy Adams, Board Administrator. Mr. Chad Little, Consulting Actuary, Public Pension Professionals, Inc. and Ms. Joyce Dias, Human Resources Analyst II, City of Palm Bay.

ADOPTION OF MINUTES:

Motion by Mr. Havener, seconded by Mr. Lancaster to excuse the absence of Mr. Yonce and Mr. Kiszkiel due to training. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

Motion by Mr. Havener, seconded by Mr. Lancaster to table the quarterly minutes 06-07 to the next meeting as they were not ready for adoption. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

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PRESENTATION BY MR. CHAD LITTLE, CONSULTING ACTUARY, PUBLIC PENSION PROFESSIONALS, INC.:

1. **Draft Actuarial Valuation Report for 10/01/2005-** Ms. Adams said Mr. Cypen, Mr. Feldman and Ms. Burgin were e-mailed copies of the draft report. The board reviewed the draft. Mr. Little said the increase in the required employer contributions for police was due to Ordinance 2006-29. There were several items that had a major impact on the funding issue. The fund made more than its assumption rate, but smoothing was impacted by low returns in years 2000-2001. Actual police pay increases were 2-3% of payroll, but assumed at a 6.50% higher rate while fire pay increases were higher than expected. Mr. Little said the accounting pages are blank because he has to check the GASB requirements. There was

Corrections page 3, item 3, B and Summary, items 7, all corrections from word trustees. Kathy Adams 7/13/06

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discussion of the smoothing method and assumption rate. He said the negative year of 2001 will drop off this year and 2002 will drop off next year in the smoothing process. Ms. Adams asked Mr. Little about the letter from the Division of Retirement concerning page 6a of the state report and the letter concerning the firefighter definition of pay not in adherence to the state requirements. Mr. Little said he would be calling the state to discuss the items. He reviewed the pages reflecting changes to the plan stating it is amortized over 30 years and the big difference were the recent police benefits. Mr. Adams discussed the increase in police benefits and the city's cost. Mr. Little said he expected the state funding listed in the report will change for police due to the purchase of the 35 hours overtime, so that area has to be revised. He said there is concern over whether or not the fire meets the definition of the state, and funds may be held due to this. Mr. Little said the final adjustments should result in \$30,000-\$40,000 difference in the city's required contributions. Motion by Mr. Lancaster, seconded by Mr. Havener to approve the Actuarial Valuation Report, with changes. Motion carried with members voting as follows: Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. There was discussion on the buy back process and retiree process; as well as analyses for divorced members. Mr. Little said he is willing to perform divorce analyses, with board authorization and direction. Mr. Havener said Mr. Roberts, Fire Union President, wanted to be at the meeting to discuss the current fire negotiations. The board said the process that has been in place for several years is to get a letter of agreement in writing, signed by both negotiating parties, requesting an impact study and to discuss it during a board meeting. It was suggested Mr. Roberts attend the next board meeting to discuss any written request being provided to the board. The board recessed at 11:24 a.m. and reconvened at 11:32 a.m.

OLD BUSINESS:

1. **Ordinance 2006-29-Combining the Police Officer Fraternal Order of Police negotiated Benefits & State Funding for Police Officers by Adding 35 Overtime Hours in the Definition of Police Compensation**-Discussed above.
2. **State Funding for Firefighters**-Discussed above.
3. **Elements of Compensation for Police Officers & Firefighters-Ordinance 2005-59**-Discussed above.
4. **City of Palm Bay Term Life Insurance Conversion for Retired Police Officers and Firefighters-Non-Compliance**-Still pending a response from the city. Ms. Dias left at 11:38 a.m. and did not return.
5. **Website Development**-The board viewed the draft web site home page. Mr. Adams said it is still a work in progress.
6. **Interfund & Payout Expense Transfers to Reconcile Accounts**-Motion by Mr. Lancaster, seconded by Mr. Havener to approve an Interfund Transfer deposit of \$7,496.90 to the fire fund with \$5,491.14 from the general employee fund and \$2,005.76 from the police fund to reconcile the accounts. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Ms. Adams discussed the need to deposit money from the police fund to the payout expense account to cover monthly expenses for the remainder of the year. The account pays all retiree payments; monthly expenses; and termination payments. When the payout account was established, it was anticipated periodic annual review would be needed as expenses increased. Motion by Mr. Lancaster, seconded by Mr. Havener to approve the transfer of \$500,000.00 from the police fixed income asset allocation to be

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deposited to the payout expense account. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

NEW BUSINESS:

All items of business marked with an asterisk were considered under Consent Agenda and enacted by the following motion: Motion by Mr. Havener, seconded by Mr. Lancaster to approve the Consent Agenda. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

***1. Consideration of Warrants for Payment:**

***a) Office Depot-\$216.32-Office Supplies-Approved**

***b) Florida Public Pension Trustees' Association-\$200.00-2006 CPPT Re-Certification Fee for Richard Adams & William Yonce @ \$100 Each (2006-2009)Approved**

***2. New Plan Member Application, Member Beneficiary Changes and Pre-Retirement Death Benefit Option Selection Forms**-New Plan Member Applications were approved and accepted on Police Officers Lin M. Badman; Matt Alan Halfhide; Jeff Reardon and Laura Wyman.

3. Board Business-Mr. Adams discussed the problems with Dell on his laptop and recommended if the board approved Mr. Kiszkiel's purchase of a new laptop that he not be limited to a Dell product. Motion by Mr. Havener, seconded by Mr. Lancaster to approve Mr. Kiszkiel's purchase of a laptop computer, with programs and case, and a PDA with attachments up to a maximum limit of \$4,000.00. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Ms. Adams said there is a new router in the office that can be issued to Mr. Kiszkiel. Motion by Mr. Havener, seconded by Mr. Lancaster for each trustee to purchase a memory chip for each PDA device and a thumb drive and to purchase these items on their corporate VISA cards. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Ms. Adams asked the trustee's to provide her with copies of the receipts upon purchase so warrants could be prepared. Motion by Mr. Lancaster, seconded by Mr. Havener to have Mr. Adams purchase on his corporate VISA two Columbia-type button shirts for each trustee (one blue and one tan) and have the pension logo on each. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Motion by Mr. Lancaster, seconded by Mr. Havener to authorize the payment of Mr. Adams' Nextel phone overages due to extra calls for the web site development and Ms. Chirumblo's cancellation of her phone with 500 shared minutes, shared by Mr. Adams, and to authorize an upgrade to include 500 minutes. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Mr. Adams said he would check to see if there were better phones or programs available. Ms. Adams said the hotel expenses for the JPMorgan Conference was applied to Mr. Lancaster's and Mr. Havener's corporate VISA's. She asked Mr. Havener to double-check his personal VISA for any discrepancies. Mr. Lancaster stated he took the on-line course with NCPERS and passed. He provided a copy of his certificate to Ms. Adams. He stated the brown paper in the front of the manual must be mailed to NCPERS to get the internet password before beginning the course. Trustees then have 60 days from the login date to complete the course. He felt it was a good program. Mr. Lancaster said he has Roadrunner as an internet provider for about \$40.00 and was going to see if Time Warner Cable would bill this to his corporate VISA as the fund covers internet provider access for their laptops. Mr. Havener said he was checking into a

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similar program. Ms. Adams said the Division of Retirement sent a letter concerning the state report wanting clarification on some items, to include the data provided by Mr. Little on state funding purchases.

4. Upcoming Events-Educational Opportunities-Motion by Mr. Havener, seconded by Mr. Lancaster to approve Mr. Adams attendance at the Levi, Ray & Shoup, Inc. (LRS) Annual Conference to include airline; parking; hotel, per diem; registration fees; car rental and other routine expenses. LRS is the pension plan's computer software company. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

5. Review of Correspondence:

a) Monthly Bank Statement-STI, 4/30/06-The market value of the SunTrust/Trusco Funds at 4/30/06 was \$51,993,409.04. The Grand Total of all the Funds, including International Funds & Real Estate at 4/30/06 was \$64,117,486.70.

b) Monthly Statement- American Euro Pacific, 04/30/06-The market value of the International Funds at 4/30/06 was \$6,900,868.66.

c) Monthly Statement-JPMorgan Strategic Property Fund, 4/30/06-The market value of the JPMorgan Strategic Property Fund at 4/30/06 was \$5,223,209.00.

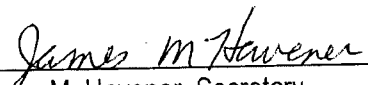
6. Buyback & Termination-Police Officer Frank McBee-Motion by Mr. Havener, seconded by Mr. Lancaster to acknowledge Police Officer Frank McBee's request to buy back prior service credit from Indian Harbour Beach and salary components for pension. Mr. McBee is terminating on June 6th and plans to retire when eligible. Motion carried with members voting as follows: Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. There was discussion concerning the procedure for the board in acknowledging the purchase of buy back time by employees.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 2:10 p.m.


Richard B. Adams, Chairperson

ATTEST:


James M. Havener, Secretary