

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Board Meeting 06-12**

Held on the 4th of October 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 9:20 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Brd Appt
William A. Yonce, Sr., Vice Chairman, City Council Appt
James M. Havener, Secretary, Fire Elected
Timothy W. Lancaster, Trustee, Police Elected
Benjamin J. Kiszkiel, Trustee, City Council Appt

EXCUSED

Also in attendance was Kathy Adams, Board Administrator. Ms. Joyce Dias, Human Resources Analyst II, City of Palm Bay; Mr. Robert Combs, Jr., President, Palm Bay Fraternal Order of Police; and Mr. Ray Roberts, Jr. President, International Association of Fire Fighters, Local 2446. Mr. Stephen H. Cypen, Board Attorney, was telephoned at 9:35 a.m. Mr. Chad Little, Consulting Actuary, Public Pension Professionals, Inc. arrived at 9:55 a.m.

ADOPTION OF MINUTES:

Motion by Mr. Lancaster, seconded by Mr. Yonce to adopt the August quarterly minutes 06-10 with the following change: Page 1, Under Roll Call, Excused, Mr. Kiszkiel was in attendance and should have been listed as present. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiszkiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

Motion by Mr. Lancaster, seconded by Mr. Kiszkiel to adopt the September regular minutes 06-11. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiszkiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

Motion by Mr. Havener, seconded by Mr. Yonce to add the following items to the agenda: Old Business, Item No. 2. add c. Ordinance 2006-113: Deferred Retirement Option Program, d. Ordinance 2006-114: Definition of the Term Separation, e. Actuarial Valuation Report-Mr. Chad Little. New Business, Item No. *1. Consideration of Warrants for Payment: b). International Foundation of Employee Benefit Plans-\$625.00-Annual Membership Renewal. New Business, Item No. 7. Application for Retirement, Buy Back of Prior Service and DROP-Donald L. Hampton and Item No. 8. Termination Refund/Rollover-Firefighter Angelo Bernard. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Havener, Yea; Mr.

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Kiszkiel, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

OLD BUSINESS:

1. Report on Status & Appointment of the Fifth Trustee and Possible Action Thereon-Mr. Cypen was telephoned at 9:35 a.m. Mr. Cypen said he spoke to City Attorney Jim Stokes concerning his letter and Mr. Stokes believes Mr. Cypen's opinions to be true. He said the board may want to go forward with the city's reapplication process or the board can make an appointment today and send their selection back to the city. Mr. Lancaster asked if the original application applies, if the board chooses to extend the process and Mr. Cypen said it did. Mr. Kiszkiel asked if the board had to accept any new applications. Mr. Cypen said there could be a situation that the city wouldn't have any additional applications and if they did they should be advising them the board already selected someone and the city is trying to force them down the board's throat. Mr. Havener asked about Mr. Adams' current position and Mr. Cypen said he stays in the position. Mr. Yonce asked what would happen if the city extends the application process for 30 days and the board selects the same applicant, Mr. Adams. Mr. Cypen said Mr. Adams still stays in place. Mr. Adams is the board's representative and appointed by the board; the city already has two appointments. Mr. Cypen felt Mr. Stokes wasn't at the council meeting and agreed with Mr. Cypen, although he didn't want to put words in Mr. Stokes' mouth. The board could file a mandamus suit against the city, but since Mr. Adams stays anyway, even if the council does not appoint him, then he would not recommend it. Mr. Havener asked about any written response on it. Mr. Cypen said the board could write a letter to the state and the state would hold future funding. If the council doesn't act on the board's recommendation, Mr. Adams remains in the position. There was discussion of the mayor's issue about a conflict of interest and Mr. Cypen said there is none for pension boards regarding independent contractors and Mr. Stokes agreed. Mr. Cypen said the board could have a policy, it would be up to the board to decide, but it's not prohibited by law, and the current arrangement had been in place for over ten years. Mr. Cypen then discussed the two proposed city ordinances. The board then came back to this item. *Mr. Adams said if the board was going to discuss this item then he wanted to file a Form 8B, although he was not required to do so. At that time he submitted a Form 8B which he read to the board and copies were immediately provided to each trustee. Mr. Adams discussed the history of the plan and his history on the board. The board discussed the issue further. Motion by Mr. Havener, seconded by Mr. Kiszkiel to agree with Mr. Cypen's recommendation to bring all the applications back to the board for review at their November meeting. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Havener, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Mr. Adams stated he was resubmitting his application at this time and asked the board to reevaluate his prior application for consideration and they agreed to do so.

2. Ordinance 2006-29:

a. Payment Method by the City of Palm Bay for Employer Buy Back Contributions for Police Officers-Mr. Adams said the State Actuary, Mr. Slavin, will be giving a written opinion on this issue as well as issuing an administrative order that is almost completed. The city has not made their contribution for the buy-back benefit. Mr. Roberts returned to the meeting at 10:40 a.m. There was further discussion about granting the buy-back benefit to current applicants in process. Ms. Adams stated Officer Hampton did not purchase his buy-back service. Motion by Mr. Kiszkiel, seconded by Mr. Yonce to have

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members acknowledge that they must buy-back prior service time within 30 days or a reanalysis must be done at the member's expense for the city's and employee's fees. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Havener, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

b. Compensation-Ms. Adams said the city's Paymaster, Ms. Rosario, advised her the overtime for the fiscal year-ending 9/30/06 has been paid.

c. Ordinance 2006-113: Deferred Retirement Option Program-Mr. Cyphen said the DROP guidelines rule. One half of the cities he deals with had their DROP provisions in Ordinance and the others don't and he prefers the latter as any change in a comma or word will have to have an Ordinance drafted along with a impact statement sent to the state. Mr. Cyphen said he was concerned about the addition of the word separation to the overall plan, rather than in the supplemental issue. It's in the wrong place and that is not the general definition of separation in the plan. It should be placed in as a separate sentence for the supplemental benefit. Mr. Lancaster said the union had not seen these two items. Mr. Combs said the union has notified the city to cease and desist and the city is ignoring them. Mr. Combs wants these items postponed for 60 days. Mr. Cyphen said it would definitely impact for a period of time. This language would not cover those in the DROP for the supplement. He said the board can send a letter to postpone it for 60 days for review. Mr. Cyphen's telephone call ended at 10:00 a.m. Mr. Roberts said his union will piggyback what the FOP says. Mr. Havener said based on the language, a part-time person could get the supplement, but not a full-time. Mr. Kiszkiel discussed the item. Motion by Mr. Lancaster, seconded by Mr. Kiszkiel that a letter be sent to the city to cease and desist to allow for the time necessary the board, their attorney and actuary to perform a review on these ordinances and to additionally provide the board with a Letter of Understanding signed by both parties. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Havener, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. The board recessed at 10:15 a.m. and reconvened at 10:20 a.m. Mr. Roberts returned to the meeting at 10:40 a.m. The board then stated they wanted to go back to discuss item Item No. 1 under Old Business. For that discussion, see above.

d. Ordinance 2006-114: Definition of the Term Separation- Actuarial Valuation Report-Mr. Chad Little-Mr. Little distributed the aggregate report. Mr. Little was told the board did not need it and reminded him he was to contact the city. Mr. Little draft statements for the police and fire funding. Mr. Little said when he was working on the administrative expenses for the actuarial valuation report they were deducted rather than added. This was going to require a revision of the 10/01/05 Actuarial Valuation Report. The city's contribution rate would change by an increase of \$400,000 and would impact both the police and fire funds. He said fire amount was approximately \$160,000 and \$200,000 for police. Mr. Little apologized for the change and said it was his fault. A fire supplemental check arrived for around \$7,000.00 and was based on a limit of fire salaries for every year above the salary limit the state looks at the educational fund and the difference of those amounts are sent to the fire fund. Mr. Little said the \$7,000 can be used as last year's money or this year's money. The excess funds of \$167,117 do not include the \$7,000, but it could be done as an accrual.

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3. **Palm Bay Professional Fire Fighters, Local 2446 Negotiations-Request for Impact Study**-Mr. Roberts asked Mr. Little to explain the cost analysis. He said the intent was for the state funding to go toward increasing the \$189.00 existing supplemental pay. There was discussion by Mr. Roberts and Mr. Little on the clarification of the excess funding intention to be used for the supplement. Motion by Mr. Kiszkiel, seconded by Mr. Lancaster to call a special board meeting to be held Thursday, October 19th at 9:00 a.m. to review the firefighter impact study and state funding studies for police and fire. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Havener, Yea; Mr. Kiszkiel, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Mr. Little discussed the retro-DROP. He said he spoke to the state about this and there would be a bias for a loss to the plan. He said the state will address this in their administrative order.
4. **State Funding for Firefighters**-Discussed in Item 3 above. Mr. Little said the amounts received from the state for funding for police and fire would not alter the city's contribution. Mr. Roberts left the meeting at 11:40 a.m.
5. **State Funding for Police Officers**-Discussed in Items 3 & 4 above.
6. **Elements of Compensation for Police Officers & Firefighters-Ordinance 2005-59**-No additional response from the state.
7. **Review of PensionGold Users Team Conference**-Mr. Adams said it was a very informative session of the computer program used by the pension board and that several state plans were in attendance as well as plans from across the nation. All were dealing with the newly signed Pension Protection Act of 2006. There were several issues that had to be addressed by the IRS. Mr. Adams said he was appointed Vice-Chairman of the National User's Group that would entail holding the National User's Conference in Palm Bay in 2008.
8. **Website Development**-Mr. Adams said he was able to work with the programmer on the web-site at the conference.
9. **Application for Retirement-Vested Police Plan Member Danny E. Thomas**-Ms. Adams said Mr. Thomas has received his first retirement check and was now retired.
10. **Application for Retirement & Buy Back of Prior Service-Police Officer Frank Ciccone**-Ms. Adams said she was working on the retiree applications, but had to wait for the last payrolls to be Disbursed as some individuals were to receive longevity pay or overtime pay and others were finalizing sick and vacation payouts.
11. **Application for Retirement & DROP-Police Officer Douglas Dechenne**-See Mr. Ciccone.
12. **Application for Retirement & DROP-Police Officer George Melius**-See Mr. Ciccone.
13. **Application for Retirement-Police Officer Lynne Nungesser**-See Mr. Ciccone.
14. **Application for Retirement, Buy Back of Prior Service & DROP-Police Officer Donald Bauman**-See Mr. Ciccone.
15. **Application for Retirement and Buy Back of Prior Service-Police Officer David Miller**-See Mr. Ciccone.
16. **Application for Retirement & DROP-Police Officer Dante Cristofaro**-See Mr. Ciccone.
17. **Application for Retirement & DROP-Police Officer Douglas Muldoon**-See Mr. Ciccone.
18. **Application for Retirement, Buy Back of Prior Service & DROP-Police Officer James E. Veltri**

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- 19. Buy Back of Prior Service on Police Officers Robert Kenney; Joseph G. Myers; Donald Bauman; Frank Ciccone; David Miller; Robert Combs, Jr.; James Veltri; and Donald Hampton-**All the applicants listed that were eligible to buy-back prior service had done so, except for Officer Hampton.
- 20. Disability Application-Firefighter William Foley-**Ms. Adams received a letter from Mr. Foley's attorney requesting to activate Mr. Foley's disability application process.
- 21. Audit for 10/01/2005-9/30/2006-**Ms. Adams sent the audit request to the city and clients with an anticipated audit scheduled for December 18-20.

NEW BUSINESS:

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

- *1. Consideration of Warrants for Payment:**
- a) **NCPERS-\$\$150.00-Annual Membership Renewal-Approved.**
 - b) **International Foundation of Employee Benefit Plans-\$625.00-Annual Membership Renewal-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 Daniel J. Ellis; Richard F. Sadulski; Crystal M. Starr; and Joseph Woodling.
- 3. Board Business-**Motion by Mr. Havener, seconded by Mr. Kiskiel to approve Mr. Yonce's authorization for payment by his corporate credit card for the purchase of two shirts for each trustee at a total cost of \$216.45. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiskiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Motion by Mr. Kiskiel, seconded by Mr. Havener to approve Mr. Adams' authorization for payment by his corporate credit card to have the fund's logo placed on each trustees' shirt by the company "Florida Boy." Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiskiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. Ms. Adams said she needed the item number for the battery recall on the laptops and showed the board where to find the numbers. Mr. Yonce said some of the numbers came off his keyboard and he may be returning it, but it should be under warranty. Ms. Adams said she has been working with Ms. Chirumblo as AOL was still charging her closed corporate credit card and they were threatening collection action. Because it was an automatic payment, it was reopening the account and placing the charge. A dispute had been filed with SunTrust and they were crediting back all the charges. Ms. Adams had been in contact with AOL and if they did not settle the issue, she would make a packet of information for Ms. Chirumblo to file with each of the credit bureaus. Ms. Adams said one rebated was received on Mr. Kiskiel's laptop purchase and was deposited, but the other was pending. Ms. Adams said the physician's assessment form had to be reviewed for any changes. The board commented on the 2007 meeting schedule. The June meeting may have to be changed from the 6th to the 7th.

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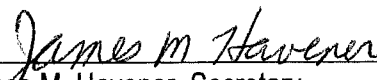
4. **Upcoming Events-Educational Opportunities**-There was none.
5. **Review of Correspondence:**
 - a) **Monthly Bank Statement-STI, 8/31/06**-The market value of the SunTrust/Trusco Funds at 8/31/06 was \$51,928,965.88. The Grand Total of all the Funds, including International Funds & Real Estate at 8/31/06 was \$64,180,877.25.
 - b) **Monthly Statement- American Euro Pacific, 8/31/06**-The market value of the International Funds at 8/31/06 were \$6,811,806.05.
 - c) **Monthly Statement-JPMorgan Strategic Property Fund, 8/31/06**-The market value of the JPMorgan Strategic Property Fund at 8/31/06 was \$5,440,105.32.
6. **Application for Disability Retirement-Police Officer Johnnie C. Sampson**-Ms. Adams said Mr. Sampson submitted an application for disability. Motion by Mr. Havener, seconded by Mr. Lancaster to proceed with processing his application. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiszkiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.
7. **Application for Retirement, Buy Back of Prior Service and DROP-Donald L. Hampton**-Motion by Mr. Kiszkiel, seconded by Mr. Lancaster to approve the retirement benefit selection option by Police Officer Donald L. Hampton upon receipt. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiszkiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea. It was acknowledged Officer Hampton had not purchased his prior law enforcement service by September 30th.
8. **Termination Refund/Rollover-Firefighter Angelo Bernard**-Motion by Mr. Yonce, seconded by Mr. Kiszkiel to approve the termination refund/rollover on Firefighter Angelo Bernard upon receipt of the required documentation. Motion carried with members voting as follows: Mr. Yonce, Yea; Mr. Kiszkiel, Yea; Mr. Havener, Yea; Mr. Lancaster, Yea; and Mr. Adams, Yea.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 12:40 p.m.


Richard B. Adams, Chairperson

ATTEST:


James M. Havener, Secretary

***Form 8: Attached to Original Minutes on File with the City Clerk**

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME <i>Adams, Richard Burnett</i>	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE <i>Palm Bay Police & Firefighters Pension</i>
MAILING ADDRESS <i>797 Isan n.w.</i>	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
CITY COUNTY <i>Palm Bay Brevard</i>	NAME OF POLITICAL SUBDIVISION: <i>City of Palm Bay</i>
DATE ON WHICH VOTE OCCURRED <i>10/24/06</i>	MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)