

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Meeting 18-05**

Held on the 6TH of April, 2018 at Robert J. Conlan Professional Center, 1501 R. J. Conlan Blvd., NE, Suite 240, 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.

Timothy W. Lancaster, Chairperson, called the meeting to order at the hour of 9:09 a.m.

ROLL CALL:

PRESENT

Timothy W. Lancaster, Chairman, Police Elected
Jason Dorey, Vice Chairman, Fire Elected
James W. Brock, Secretary, Trustee, City Councilmember Appointee
Richard B. Adams, Trustee, Board Appointee

EXCUSED

Guillermo William Capote, Sr., Trustee,
City Councilmember Appointee

Also in attendance was Ms. Kathy Adams, Board Administrator; Ms. Alex Bluto, and Donna Blandli, HR Benefits Analysts 1, City of Palm Bay; Mr. Paul A. Daragjati, Board Attorney, Klausner, Kaufman, Jensen & Levison, PA.; and Firefighter John Mellace. Police Officer Harold Ballard arrived at 9:35 a.m. Ms. Cheryl A. Parente, Firefighter Disability Applicant arrived at 10:15 a.m. Mr. Patrick Donlan, Actuary, Foster & Foster, Inc. arrived at 11:29 a.m.

Motion by Mr. Adams, seconded by Mr. Brock to excuse Mr. Capote. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

OATH OF OFFICE:

To be administered to the following Trustees: Police Elected Representative Timothy W. Lancaster; Fire Elected Representative Jason Dorey; City Council Appointees Guillermo William Capote, Sr. and James W. Brock

Motion by Mr. Adams, seconded by Mr. Brock to table this item until the next meeting as Ms. Jones, City Clerk, could not attend due to a personal issue. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

AGENDA REVISIONS:

Motion by Mr. Adams, seconded by Mr. Brock to Add to Foster & Foster, Inc. Item No. 1. b. Required Pages for Summary Plan Descriptions; add to Old Business, Item No. 7. Klausner, Kaufman Jensen & Levinson- \$3,972.50- Warrant for Monthly Retainer for Board Attorneys Klausner Kaufman, Jensen & Levinson for March, plus Various expenses related to disabilities and IRS distribution rules, Invoice No. 21453; Remove from Consent, New Business, Item *1 New Plan Member Applications; Member

PBP&F Pension Fund
Regular Minutes 18-05
April 6, 2018

Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations; Add to New Business Item No. *10. Salem Trust, \$14,468.35, Account Management Fee for 1/1-3/31/2018, Fee A/C#M05207; Item No. 11. Senate Bill 7026, Retired Law Enforcement Officers Rehired as School Resource Officers; and Item No. 12. Firefighter John Mellace, Inquiry on Plan Assumptions. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

CONSENT AGENDA:

Motion by Mr. Adams, seconded by Mr. Brock to approve the Consent Agenda. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

ADOPTION OF MINUTES:

*Regular Minutes 18-04

This item was approved under Consent Agenda as presented.

Motion by Mr. Adams, seconded by Mr. Dorey to move New Business Item No. 12. Firefighter John Mellace, Inquiry on Plan Assumptions for discussion. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Firefighter Mellace said he was on the Fire Union Board and they were in negotiations. He asked how the actuary came up with the salary assumption of six and one-half percent (6 ½%). A review of the current Fire Fund Actuarial Valuation to be presented today reflect that assumption to be four percent (4%). Mr. Lancaster explained that the Board had an Experience Study done and the recommendation was to lower the salary assumption because experience showed fire members were not receiving six and one-half percent (6 ½%) salary increases. Firefighter Mellace left the meeting at 9:17 a.m. and did not return. Discussion continued to Old Business, Item No. 1.

FORMAL HEARING FOR BUY BACK REQUEST AT 9:45 A.M.: (The Board considered this item out of order as noticed for time certain)

1. Police Officer Harold D. Ballard-Mr. Lancaster said the information given to Police Officer Ballard was based on a previous interpretation of the military buy back options. He wants to purchase prior military service before being hired by Palm Bay and that he is eligible to apply for the buy back. Mr. Daragjati said under the Statutes military time is carved out of the restriction on double payment. The time can be purchased. The question is whether the member made an effort to buy the time back, was he given the wrong information, or denied from doing so. Ms. Adams explained what information was being given to members at that time and that the information was mailed to the member; however, the interpretation for such service has now changed. Motion by Mr. Dorey, seconded by Mr. Brock to approve Police Officer Ballard's eligibility to apply for the buy back of his military service obtained prior to his City of Palm Bay employment. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. The discussion continued to New Business.

INFORMAL DISABILITY HEARING AT 10:30 A.M.: (The Board considered this item out of order as noticed for time certain)

1. Firefighter Cheryl A. Parente-Board Attorney Paul A. Daragjati, Esquire, Klausner, Kaufman, Jensen & Levinson-Mr. Daragjati said that it must be shown that the firefighter can't do the job, cannot render useful service. The total and permanent requirement, if separated from employment related to the injury, then they do not have to prove the total requirement. Permanency is established through the IME review. The Board can give weight to that opinion. The standard of what the Board relies is confident and substantial evidence. If the Board believes the IME that the injury is permanent. Then they can find the disability upon deciding the evidence of service-incurred. The applicant can give testimony. The Board can base part of the evidence on her statement. Firefighter Parente said she was willing to just move forward with what the Board has. Mr. Dorey said he saw not reason to deny the member's application. Mr. Adams asked Firefighter Parente how many years she had with the Fire Department and she responded seventeen (17) to under twenty (20) before separation.

Motion by Mr. Brock, seconded by Mr. Dorey to find Firefighter Parente from fully preventing her from performing the duties of a firefighter. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Motion by Mr. Dorey, seconded by Mr. Brock to find the disability for Firefighter Parente as permanent. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Motion by Mr. Dorey, seconded by Mr. Brock to find the disability for Firefighter Parente service-incurred. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Motion by Mr. Dorey, seconded by Mr. Brock to grant Firefighter Parente a line-of-duty disability effective today. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

Ms. Adams said Salem Trust can only direct deposit payments to a United States Bank. If the retiree does not have a US Bank, then payment is made with a debit card. Motion by Mr. Adams, seconded by Mr. Brock to allow for retirement payments out of the United States with the proper documentation and paid using a debit card with the pension payment added to the card monthly. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

The Board recessed at 10:23 a.m. and reconvened at 10:54 a.m. Firefighter Parente and Mr. Daragjati, did not return to the meeting.

Motion by Mr. Brock, seconded by Mr. Dorey to approve the Beneficiary for Retirement Purposes for Firefighter Parente. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. The Board recessed at 10:50 a.m. awaiting the arrival of Mr. Donlan, Board Actuary, and reconvened at 11:29 a.m. Mr. Brock did not return to the meeting.

FOSTER & FOSTER, INC. VALUATION REPORTS AT 11:30 A.M. (The Board considered this item out of order as noticed for time certain)

1. Foster & Foster, Inc.-Mr. Patrick Donlan, Board Actuary
 - a. Actuarial Valuation Reports for 10/01/2017 for Police Officers, Firefighters and Closed General Employee Funds-Mr. Donlan reviewed both the Police and Fire Funds Actuarial Valuation Reports. They are using a four (4) year smoothing so it impacted the amount owed. Each year there is a gain or loss. This year the Fund earned more. In 2015 there was a loss so there is one more year of that. The funded ratio for the Fire Fund is 84.50%. On the Police the GASB is different now so they can use the smoothing for the GASB accounting. The City must book the Net Pension Liability. The funded ratio for the Police Fund is 92.36%. For Fire the salary increases were a little higher and for the Police they were a little lower. He discussed the Share Plans. The Actual Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2017 for Fire is \$17,325,495.00. The Actual UAAL as of October 1, 2017 for Police is \$12,133,729.00. He said the State is changed the Firefighter Supplement and check. The percentage change in the methodology has hurt the Fire Share Plan. Mr. Lancaster asked what the cost per employee is and that was discussed. There was discussion about the assumption rate that the Board might want to review it. He said the average in the State is 7.50%-7.75%. If the Board lowers it, it increases the City's contribution amount and the unfunded liability. It could be done incrementally. The four (4) year average was not much difference than 7.75%. Motion by Mr. Dorey, seconded by Mr. Adams to accept the Police Officers' and Firefighters' Actuarial Valuation Reports for October 1, 2017. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

Mr. Donlan said the Closed General Employee Fund is doing fine and has zero contributions. There are two participants in that Plan. Motion by Mr. Adams, seconded by Mr. Dorey to accept the Closed General Employee Fund Actuarial Valuation Report. Motion carried with members voting as follows: Dorey, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

- b. Required Pages for Summary Plan Descriptions-Motion by Mr. Dorey, seconded by Mr. Adams to authorize ordering and paying for the required pages for the Police and Firefighter Summary Plan Descriptions. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

OLD BUSINESS:

1. Senate Bill 376 Providing for Worker's Compensation to Cover Treatment for PTSD (post-traumatic stress disorder) for first responders-Mr. Daragjati you use to have to show an impact, like an experience to prove a PTSD impact. It can occur over time, over a series of events. The impact has been removed. It can apply over chronic stress. The Board still must review for the three (3) disability criteria. PTSD is not always permanent. This Bill is making it easier for treatment for PTSD. The Governor signed it last week.
2. State Reports for Police, Firefighters and General Funds-They were submitted on time and received approvals March 29th and 30th. There was an issue with the State's system timing out and the Share Plan Statement received by Foster had to be entered by individual line. Ms. Taglia-Polak is going to

send the Division recommendations for improvement and got with Foster & Foster about changing the format in next year's report so it match the State's format. The State's new system is helping to receive faster responses and allowing our Actuarial Valuation Report to be done a month earlier.

*3. Interfund Transfer-This item was approved under Consent Agenda as presented.

4. FYE 2017 Audit-The audit has been completed. The page listing investments has items listed as a market-value split instead of the 50/50 investment split between the Police Fund and the Fire Fund. Foster & Foster and the City were notified. Ms. Janes, Board Accountant, said a correction could be footnoted in next year's audit. The conclusion is that the Board will not be using BDO next year. There was further discussion about the audit process with BDO.

5. Request for Workshop by Trustee Capote to Discuss Employee Evaluation Process-Mr. Lancaster asked that this be removed from the agenda since Mr. Capote was absent.

6. Follow-up Items from Ms. Taglia-Polak

a. Application for Disability-Police Officer Robert Rama-KA working with Patricia on this-Motion by Mr. Brock, seconded by Mr. Adams to obtain a physician for the Independent Medical Examination (IME), to authorize those expenses, and to set up an appointment when ready. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

b. Handyman Services-This item is pending.

c. Firefighter Brian Green-Final DROP Final Annual DROP Payment in December, 2017 with Final Interest Payment in February, 2018 and Close DROP Account-The Board previously authorized the payment of Firefighter Green's final interest payment; however, when the time came, there was no interest and the member was notified. Firefighter Green disputed that he should receive interest. Upon research it was determined that interest was not calculated due to the timing of the entry into PensionGold. Since this is the first time we had a final payout under the annual DROP disbursements, the final payment was less than the annual scheduled payment. We have changed the procedures to correct the issue. Motion by Mr. Dorey, seconded by Mr. Brock to approve the final payout of interest in the amount of \$505.80 to Firefighter Green. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

d. Upcoming Events-Educational Opportunities-Ms. Adams confirmed attendance for the Division of Retirement school in June.

7. Klausner Kaufman, Jensen & Levinson-\$3,972.50- Warrant for Monthly Retainer for Board Attorneys Klausner Kaufman, Jensen & Levinson for March, plus Various Expenses related to disabilities and IRS distribution rules, Invoice No. 21453-Motion by Mr. Brock, seconded by Mr. Adams to approve the payment of \$3,972.50 to Klausner Kaufman Jensen & Levinson. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Discussion moved to the Formal Hearing for Buy Back Request for Police Officer Harold D. Ballard above.

NEW BUSINESS:

*1. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations-This item was removed from Consent as there were no forms to present.

2. Board Business-Ms. Adams said she and Mr. Lancaster met with Mr. Mageau, Computer Experts, for the quarterly meeting. He said Mr. Adams need to update his Surface Pro. The server is scheduled to be upgraded in August and workstations in July, 2019. The Server and workstations will go from a Windows 7 to a Windows 10 environment and we need to check with PensionGold on compatibility. The licensing renewals are due this summer. The City of Atlanta shutdown for a week due to malware. Ms. Adams said Mr. Lancaster had Computer Experts clean his old Surface Pro and although an invoice was received, not payment is due as it is part of the monthly maintenance. Motion by Mr. Adams, seconded by Mr. Brock to authorize the cleaning of Mr. Lancaster's Surface Pro. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Motion by Mr. Adams, seconded by Mr. Brock to allow Mr. Lancaster to purchase the Surface Pro and accessories for \$500.00. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

Motion by Mr. Dorey, seconded by Mr. Adams to have Mr. Lancaster destroy his old cell phone as it is broke and does not work. Motion carried with members voting as follows:

Mr. Dorey, Yea
Mr. Adams, Yea
Mr. Lancaster, Yea

Mr. Brock did not vote as he was temporarily out of the meeting.

Ms. Adams said Ms. Jensen, Board Attorney, sent an email concerning a Plan Amendment to allow the Fund to make distributions to members without their consent. Ms. Adams suggested adding it upon the next Ordinance change. Ms. Adams said the City's Wellness Fair will be held April 18th from 7:00 a.m. to Noon. This information was added to the website. Ms. Adams explained a strange call from a gentleman representing himself as being with Data Analytics regarding a request for the Funds Federal Tax ID. Ms. Adams said Ms. Johnson plans to attend the May meeting.

3. Annual Joint City Council/Pension Workshop-Mr. Lancaster said the schedule it in July.

*4. Firefighter Share Plan Distributions for Jim Hamor, Keith Grice, and Robert Harrell-This item was approved under Consent Agenda as presented.

5. Rehire of Police Retiree by the City of Palm Bay-Ms. Adams discussed a recent rehire of a retiree by the City and that the procedure is for the City to contact the pension office with various information and a final determination will be reviewed and made by the Board's attorney.

*6. Reduction of Monthly Pension Supplemental Benefit Due to Age 65-Police Retiree Alexis Padua-This item was approved under Consent Agenda as presented.

*7. One-Time Pension Payment Correction for Firefighter Retiree James Hamor-This item was approved under Consent Agenda as presented.

*8. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Duane Smith-This item was approved under Consent Agenda as presented.

9. Break in Service Police Officer Robert Vickers-Mr. Lancaster asked that this item be tabled.

*10. Salem Trust, \$14,468.35, Account Management Fee for 1/1-3/31/2018, Fee A/C#M05207-This item was approved under Consent Agenda as presented.

PBP&F Pension Fund
Regular Minutes 18-05
April 6, 2018

11. Senate Bill 7026, Retired Law Enforcement Officers Rehired as School Resource Officers-Ms. Adams read a memo received by Board Attorney Klausner regarding this issue. A Plan Amendment and Tax Code in 2016 will allow it. This Senate Bill will allow Florida County Sheriff Departments to set up the rehire of Florida State Retirement System members for this purpose and does not apply to our Plan. There was further discussion about the Bill. The discussion move to the Informal Disability Hearing for Firefighter Cheryl A. Parente.

12. Firefighter John Mellace, Inquiry on Plan Assumptions-This item was discussed above.

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

There was no input from any active or retired plan members at this time.

INPUT FROM THE PUBLIC:

There was no input from the public at this time.

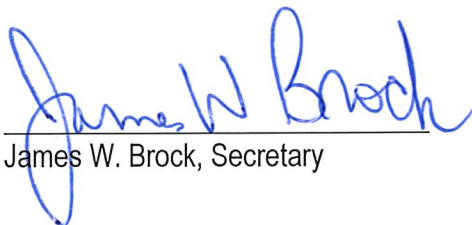
ADJOURNMENT:

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



Timothy W. Lancaster, Chairperson

ATTEST:



James W. Brock, Secretary