

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Meeting 18-12**

Held on the 5th of October, 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 9:08 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
Guillermo William Capote, Sr., Trustee, City Councilmember Appointee

EXCUSED

Also, in attendance was Ms. Kathy Adams, Board Administrator, and Ms. Katie Taglia-Polak, Office Manager, Palm Bay Police & Firefighters' Pension Fund; Ms. Terese Jones, City Clerk; Ms. Lysandria Serrano, HR Benefits Analysts 1; Ms. Amanda Hammond, HR Benefits Coordinator, City of Palm Bay; and Police Retiree Mark Renkens. Ms. Anna Klausner Parish, Board Attorney, telephoned at 9:14 a.m.

AGENDA REVISIONS:

Motion by Mr. Brock, seconded by Mr. Adams to add under Old Business, 2. d. the last name for Officer Robert is Vickers; add under New Business, *5. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Michael Carpenter; 6. Military Leave of Absence, Police Officer Erik Buendia; and 7. Application for Buyback, Police Officer Jasmine Smith. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea.

CONSENT AGENDA:

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

ADOPTION OF MINUTES:

*Regular Minutes 18-11

This item was approved under Consent Agenda as presented.

**NOMINATION AND APPOINTMENT OF BOARD CHAIRMAN, VICE CHAIRMAN,
AND SECRETARY:** By the Board of Trustees

Motion by Mr. Adams, seconded by Mr. Capote to retain the current officers as is. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea.

OLD BUSINESS:

1. In-Service Distribution Inquiry by Retirees-Board Attorney, Ms. Parish telephoned to review this issue. Ms. Parish went over the handout and said the City adopted an Ordinance to cure some employees that received in-service distributions. Current city employees are not permitted to have such distributions under the Plan. Mr. Lancaster asked if it had to be negotiated due to a potential cost. Ms. Parish said rehire after retirement must be an actual separation of employment, to be a bona fide rehire. That means an employee leaves employment then at some point in the future rehired. It is an IRS requirement. If an employee is rehired within a year, then retirement benefits must stop. If it is typically after one year, then they can receive both, but the supplement stops. Rehires would have to be on a case-by-case basis. Mr. Renkens said he has concerns about that. Ms. Parish said the Board may want specific guidelines. It may need to be negotiated with Ordinance implementation. She will check into that and get back to the Board. Mr. Renkens asked about the police and fire chiefs' opt-out clause. Ms. Parish said if they were rehired as an active member they would not have to rejoin, only full-time. If after a year, they would start new. Ms. Parish said she wanted to discuss New Business, Item No. 4. See below.
2. Actuarial Services & Projects: Foster & Foster, Inc.
 - a. Firefighter Supplement Check-Ms. Adams said the Firefighter supplement check for \$9,167.33 arrived and was deposited.
 - b. FOP Negotiations-Mr. Lancaster said they are working on the Memo of Understanding.
 - c. Annual Required City Contributions-This item is pending.
 - d. Reinstatement Police Officer Robert Vickers-This item is pending. The actuary calculated the requirement using data provided by the City that deducted earnings the member had while terminated from what he would have earned from the City. City Attorney, Jim Linn stated the City had to make the member's account whole and had to include all earnings he would have earned from the City. That data was being revised by the City and, upon receipt, would be forwarded to the actuary for recalculation.
3. Follow-up on Conversion of Mid-Cap Value Fund to the Virtus Collective Trust II Fund-Mr. Myton is checking over the application language. Ms. Johnson, Salem Trust, said they can custody the account and transfer it "in kind."
4. Review of Public Pension Forum-Mr. Capote said it was good and that he got a lot of information. He asked that this item be placed on next month's agenda.
5. Equipment Upgrades-Mr. Adams and Mr. Dorey obtained new phones. Mr. Adams said he is having problems with his and may have to return it. All the Surface Pro's are scheduled for replacement in 2019 except for Mr. Lancaster's.
6. Acknowledge Buyback for Police Officer Daniel Ellis-The Board acknowledged this item.

7. Discuss Member Non-Taxable and Taxable Payments for Buybacks-Ms. Adams said a firefighter member bought back time, and then terminated employment. This resulted in part of the money being non-taxable and taxable. It was an issue that the pension office staff dealt with years ago where part of the contributions was already taxed and had to be calculated out over a thirty (30) year period. We will be going back to review individual buyback accounts for a ten (10) to fifteen (15) year period to determine those calculations and coding for withholding purposes.

8. Audit Progress: Mauldin & Jenkins, the Board's new audit team, conducted the on-site review with BDO. An invoice was received; however, a detailed listing has been requested as initially required by the Board attorney. Motion by Mr. Brock, seconded by Mr. Capote to approve the invoice for BDO for \$1,000.00 for the successor audit review and requests for September 30, 2017, Invoice No. 001012309, upon receipt of a detailed statement. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea.

9. Annual Review of Part-time Pension Employee Patricia J. A. Lindsay-The Board discussed Ms. Lindsay's review. Motion by Mr. Brock, seconded by Mr. Dorey to approve Ms. Lindsay for a five percent (5%) pay increase. Motion carried with members voting as follows:

Mr. Dorey, Yea
Mr. Brock, Yea
Mr. Adams, Yea
Mr. Capote, Yea
Mr. Lancaster, Nay

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

a. Annual Employee Benefit Statement and Summary Plan Descriptions-Approximately two hundred sixty (260) packets were mailed by September 28th.

b. Cost of Living Allowance Letters and Payments-Letters and payments were processed.

c. Member Year-End Interest Posting-Interest was processed with Police members earning \$182,470.23 and Firefighter members earning \$137,908.78. A reduction from 5.25% to 3.0% was implemented a couple of years ago. That reduction saved the Plan \$240,478.00 this year.

d. Open Enrollment for City Health Insurance-The tentative enrollment dates are October 25th-November 7th. Once the information is received it will be added to the pension website. Our packets are ready for mailing to members.

e. Consideration to Change Office Hours-Pension staff wants to change their office hours to arrive at 7:30 a.m.-4:30 p.m. resulting in a reduced one-hour lunch to a half hour. Ms. Adams said Ms. Lindsay likes to run errands during her lunch. She preferred to leave early on Wednesday due to personal commitments. Ms. Adams said she wanted to know if she can leave the building during her fifteen (15) minute break. Staff are paid eight (8) hours with one (1) hour unpaid lunch, with an unwritten fifteen (15) minute break included in the eight (8) paid hours. Ms. Adams asked how the Board wanted to handle a situation where an employee wanted to add the break time to the lunch time to take a 45-minute lunch. Motion by Mr. Brock, seconded by Mr. Capote to authorize a change in hours with staff notifying the Board of their recommendations with the stipulation that no breaks will be allowed the first or last hour of each day or before or after lunch. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea.

f. Upcoming Events-Educational Opportunities-Ms. Taglia-Polak said no one was going to the Division of Retirement School; the FPPTA Bonita Springs School; or the Washington NCPERS Conference. She reviewed other schools that trustees would be attending before year-end.

NEW BUSINESS:

- *1. Consideration of Warrants for Payment:
 - *a. Foster & Foster, Inc.-\$1,563.00-FOP Impact Study, Exhibit B for Summary Plan Description and Conference Call Preparation and Participation 8/29/2018, Invoice No. 13115 (Police Fund Only)-This item was approved under Consent Agenda as presented.
 - *b. Foster & Foster, Inc.-\$513.00-Benefit Calculations Firefighter Smith, Exhibit B for Summary Plan Description and Conference Call Preparation and Participation 8/29/2018, Invoice No. 13116 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
- *2. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations-A new member application and beneficiary form was approved and accepted under Consent on Police Officer Thomas J. Pauls; and a member beneficiary change was approved and accepted under Consent on Police Officer Jasmine Smith.
3. Board Business-Ms. Adams said Microsoft will end Windows 7 support January 14, 2020. Computer Experts is cleaning our old server and will be bringing it back along with the back-up battery for us to store in the event of an emergency. They will be stored in the file room. Ms. Adams said the first invoice from the handyman company was \$300.00 for putting the five (5) new executive chairs together, changing air filters, and delivering the old chairs to Molly Mutt for donation. Motion by Mr. Capote, seconded by Mr. Brock to approve donation of old executive chairs to Molly Mutt by our handyman service company. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea. Ms. Adams said we have a reoccurring warrant on file for PIP Printing for stationary, envelopes, and business card orders. We usually have a trustee pick up the order and pay for it using their Corporate VISA. We can now pay by phone, using any trustees' Corporate VISA. This will allow Ms. Adams to pick up future orders on her way to the office and eliminate the need for a trustee to do it.
4. Florida Constitution Revision Commission-Amendment 6-Ms. Parish said as of now the court deferred decisions to agencies, judicial difference is a good thing. She likes judicial differences and if this amendment passes that would go away and would take some authority away from pension boards. Her firm is recommending voting "No." It allows pension boards with the expertise in the pension area rather than strict judicial review. It has been tied to crime victims, but there are already protections for those individuals. This does not impact their rights. Ms. Parish ended her telephone call at 9:31 a.m. Discussion continued with Old Business, Item 2 above.
- *5. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Michael Carpenter-This item was approved under Consent Agenda as presented.
6. Military Leave of Absence, Police Officer Erik Buendia-This member's orders is effective 8/27/2018; military leave without pay effective 9/26/2018.
7. Application for Buyback, Police Officer Jasmine Smith-The member is aware of the thirty-six (36) month window for buyback.

PBP&F Pension Fund
Regular Minutes 18-12
October 5, 2018

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.

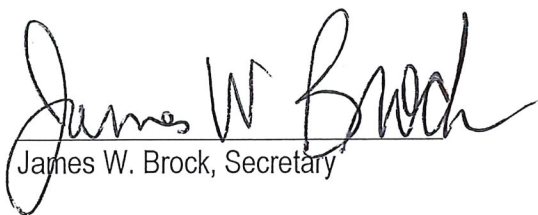
ADJOURNMENT:

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



Timothy W. Lancaster, Chairperson

ATTEST:



James W. Brock, Secretary