

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Meeting 10-01**

Held on the 13th day of January, 2010 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 9:09 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Brd Appt
Timothy W. Lancaster, Trustee, Police Elected
Douglas R. Smith, Trustee, Fire Elected
James W. Brock, Trustee, City Council Appt

EXCUSED

William A. Yonce, Sr., Vice Chairman
City Council Appt

Also in attendance was Ms. Kathy Adams, Board Administrator. Ms. Joyce Dias, Human Resource Officer, City of Palm Bay; and Mr. David Ginsburg, President, IAFF, Local 2446.

Motion by Mr. Lancaster, seconded by Mr. Brock to excuse Mr. Yonce's absence as he is out of town. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

AGENDA REVISIONS:

There were no revisions to the agenda.

CONSENT AGENDA:

All items of business marked with an asterisk were considered under Consent Agenda and enacted by the following motion:

Motion by Mr. Lancaster, seconded by Mr. Smith that the Consent Agenda be approved as presented. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

ADOPTION OF MINUTES:

*Regular Minutes 09-14

The minutes were considered under Consent Agenda and approved as presented.

OLD BUSINESS:

1. **Mr. Stephen H. Cypen, Board Counsel**
 - a. **Proposed Policy for Disclosure of Placement Agent Fees**-To be discussed with Mr. Cole, Burgess Chambers & Associates, at the February meeting.
 - b. **Mr. Gregory R. Miller, Esq., The firms of Beggs & Lane, RLLP; Levin, Papantonio, Thomas, Mitchell, Echsner & Proctor, P.A.; and Ledbetter & Associates, P.A.-Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael Callaway**-The paralegal came in and selected all bank statements, warrants, and correspondence going back ten years on Merrill Lynch, to include DRZ, SunTrust, and Fiduciary Trust. She stated if we have not received a request that we will receive a request from Bank of America/Merrill Lynch as well for the same documentation. The temp started the first week in January to begin this project, which is going to be lengthy. We are tracking related expenses such as personnel, supply and copying costs.
 - c. **Amendments to the Pension Protection Act of 2006, the Heroes Earnings Assistance and Tax Relief Act of 2008 and Internal Revenue Service Notice 2008-98**-This item is pending further notice from Mr. Cypen and Mr. Friedman upon final legislative adoption.
 - d. **Mr. Robert J. Friedman, Esq., The firm of Holland & Knight, LLP-IRS Letter of Determination of Compliance**-The board reviewed a letter received from Mr. Cypen through Mr. Friedman from the IRS Compliance Review Committee. The IRS issued a new Special Tax Notice has been issued since it was updated in the fall and we are getting assistance from Mr. Cypen & Mr. Friedman to update various documents. Motion by Mr. Smith, seconded by Mr. Brock to implement the documents upon receipt from Mr. Cypen & Mr. Friedman. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
2. **Actuarial Services & Projects: Foster & Foster, Inc.**
 - a. **Palm Bay Professional Firefighters, IAFF, Local 2446-Pension Re-Opener and Ongoing Issues:**
 1. **Share Plan Using Chapter 175 Funding-Notification of Impasse**-Mr. Adams said he spoke to Ms. Shoemaker with the Division of Retirement about using state monies to pay for impact studies or statements. She said no. Mr. Ginsburg said he spoke to Ms. Shoemaker the day before the meeting and there is a letter that is coming to the board, the fire union and City management that will put the City on notice regarding the state money. She said if the City claims an administrative cost she will not stand for it and will take action if they do not comply. Mr. Ginsburg said he felt they made progress at last night's discussions with the City, but there was nothing on pension issues. The City is looking at a two-tier plan with a cut off at ten year vesting, a drop in benefits to those with less than ten years and new hires.
 - b. **General Employee Transfers to Police Officer & Firefighter Status Prior to 1991**- Ms. Adams discussed previous conversations on the issue she had with Board Counsel, Ms. Bieler and that she was going through documentation to determine who might be impacted. At a future date Mr. Heinrichs would need to complete an impact statement on this item. Motion by Mr. Lancaster, seconded by Mr. Brock to authorize Ms. Adams to send a request to Mr. Heinrichs, Board Actuary, for an Impact Statement on those employees impacted upon determination of same. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and

Mr. Adams, Yea.

- c. **Florida Premium Tax Distribution-Police Fund**-Motion by Mr. Lancaster, seconded by Mr. Brock to approve the Impact Statement and to direct Mr. Cypen to draft an ordinance increasing the police overtime from 129 to 169 hours as part of pensionable compensation effective October 1, 2009. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Mr. Lancaster said the report shows no cost to the City.
 - d. **Update on Correspondence Between the Pension and City Actuaries-Impact Study to Freeze the Plan**-Ms. Adams said she forwarded a recent email concerning questions on the \$458.00 supplement between Foster & Foster and Mr. Tierney.
3. **Pension Website-www.pbpf.org**-Mr. Adams said he was working with Burgess Chambers staff to update their financial data on the web. Ms. Adams said the federal withholding has been increased and was added to the retiree section of the website. Motion by Mr. Lancaster, seconded by Mr. Brock to approve the increase by Levi, Ray & Shoup, Inc. (LRS) for web services from \$75.00 to \$83.00 per hour that covers routine updates and deletions to the website. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Mr. Adams discussed a portal agreement sent by LRS that allows access to certain sites with LRS. It is used mainly by large plans and the access would be given to Mr. Adams. Motion by Mr. Lancaster, seconded by Mr. Smith to approve the portal agreement and to authorize Mr. Adams to have access. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
 4. **Office and Laptop Computers**-Mr. Yonce needs to pick up some equipment. Mr. Lancaster need the car adapter. Mr. Smith's old laptop is being cleaned. Mr. Brock will take his in on Thursday. Mr. Adams has to take his in. There was discussion about issues with Mr. Smith's billing that is being worked through.
 5. **Update on Ronald C. Giordano, Jr.-Disability Application**-Ms. Adams said she found one of two qualified doctors. One was used by the courts, the other, Dr. Brooks, is expensive but well-qualified. He is in Tampa. Documentation is pending from Loyola University. Motion by Mr. Lancaster, seconded by Mr. Brock to proceed with Doctor Brooks and approve any fees associated with the independent medical examination. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Lancaster, seconded by Mr. Brock to approve the use and payment of a court reporter for use during the disability hearing if recommended by Mr. Cypen. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
 6. **Buyback Request on Firefighter Keith Grice**-Mr. Grice was provided with the amount due from Foster & Foster, Inc. The funds must be paid by January 27th to be deposited by month-end.
 7. **Buyback Request Police Officer Scott Smith-Buy Back Issue**-This item is pending follow-up from Mr. Smith due to personal issues.
 8. **FYE 9/30/09 Audit**-Ms. Adams reminded the board about the special meeting on January 22, 2010 and that Milberg, LLP representatives were scheduled to attend that meeting.

NEW BUSINESS:

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

- *a) Goldstein Schechter Koch, CPA-\$10,000.00-Progress Bill for Audit Work FYE 9/30/09-Invoice #67965-**Considered under Consent Agenda and approved as presented.
- *2. New Plan Member Application, Member Beneficiary Changes, Pre-Retirement Death Benefit Option Selection and Retirement Beneficiary Forms-**New member applications were accepted and Approved for Firefighters Steven Baker, Benjamin Lamb and Mike Swoboda. Member pre-retirement death benefit option selection forms were approved and accepted on Police Officers Ernest Diebel and Mark K. Fell. A member beneficiary form was accepted and approved for Police Officer Ursula Cowan (fka Ring). A member beneficiary form for retirement purposes was accepted and approved for Police Officer Alan D. Abner. This item was considered under Consent Agenda and approved as presented.
- 3. Long Range Planning Items-**This item would be discussed at the special meeting on January 22nd. Mr. Adams asked the board to send any comments or ideas to Ms. Adams.
- *4. Review of Correspondence:**

 - a) Monthly Bank Statement-STI, 11/30/2009-**The market value of the SunTrust Funds at 11/30/2009 was \$105,234,377.81. The market value of the International Funds, which are part of the SunTrust portfolio, is \$14,566,453.24. The Grand Total of all the Funds at 11/30/2009 was \$112,294,312.81. This item was considered under Consent Agenda and approved as presented.
 - b) Monthly Statement-JPMorgan Strategic Property Fund, 11/30/2009-**The market value for the JPMorgan Strategic Property Fund at 11/30/2009 was \$7,059,935.00. This item was considered under Consent Agenda and approved as presented.
- 5. Board Business-**Ms. Adams said there are members that have not yet updated their addresses and beneficiary forms. A list was provided to Mr. Lancaster and Mr. Smith. Ms. Shoemaker said the terms could not be staggered and that all terms must go to four years if implementing it. The board asked that the ordinance regarding trustee terms be brought back in April. Motion by Mr. Brock, seconded by Mr. Smith to approve the increased lease payment as per the lease agreement for office space. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. The City made their annual contribution on December 15, 2009 and contributed a higher amount than that requested by the board's actuary. They contributed \$472,381 for the Police fund and \$930,055 for the Fire fund. At fiscal year end it must be determined if an adjustment for any increase will be required as the contribution method by the State is on actual salaries paid. The pension office is tracking salaries totals on a pay period basis. The IRS mileage rates for 2010 declined from 55 cents to 50 cents per mile. Motion by Mr. Smith, seconded by Mr. Brock to adopt the new IRS mileage rate of 50 cents per mile. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Brock, seconded by Mr. Smith to order six Sunshine Booklets on CD; one for each trustee and one for the office. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Ms. Courcier will be off on January 11th; 12th; February 11th; 12th and 15th. The board asked about Ms. McKnight. Mr. Adams said she said she was coming back to work the first or second week of January; however, she had not called. Mr. Adams was directed to contact Ms. McKnight.
- 6. Upcoming Events-Educational Opportunities-**Ms. Adams said she was contacted by the FPPTA concerning Mr. Yonce's certification fee of \$100 for 2007. They were double-checking their records; however, if it was owed it should be remitted. Motion by Mr. Brock, seconded by Mr. Smith to pay the FPPTA the \$100 recertification fee on Mr. Yonce if it was determined that it was owed. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Ms.

Adams said the FPPTA said they did not receive Mr. Yonce's 2001-2204 or 2007 verification forms. Mr. Yonce will follow-up with them. Mr. Lancaster said he is being limited on educational opportunities he can attend by the police department. He wanted to acknowledge that Officer Steve Shytle switch days with him so he could attend the FPPTA School so he would not have to use his vacation time and will be going on personal time. Motion by Mr. Brock, seconded by Mr. Smith to approve five trustees and two pension assistants to attend the Division of Retirement School in May, to include routine expenses. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Ms. Adams said she has the 2010 International Foundation of Employee Benefit Plans' class schedule. She also advised she has the NCPERS schedule through 2013. The Annual Conference in 2011 will be held in-state. Mr. Adams stated there is a Legislative Conference in Washington DC that he may be interested in through NCPERS February 7-9, 2010. If he attended this conference he would not attend the FPPTA School. Motion by Mr. Brock, seconded by Mr. Smith to approve Mr. Adams' attendance at the NCPERS Legislative Conference in Washington DC with expenses to include registration fees; travel; hotel; per diem; transportation to/from the hotel/airport and parking. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

7. Acknowledgement of Buyback Requests on Police Officer Stephen Bland and Firefighter James Stables-Mr. Stables did not purchase his buyback by the deadline date and has been informed verbally and by mail.

8. Arthur J. Gallagher Risk Management-Application for Renewal of Fiduciary, Commercial and Excess Liability Insurance-Ms. Adams said the renewal premium was \$17,624.50; \$101 less than last year; however the deductible was increased from \$10,000 to \$25,000 last year due to increased asset size from \$77M to \$110M and the pending case. The increased deductible was not brought to our attention last year by Arthur J. Gallagher.

9. Florida Public Records Act Amendments Regarding Social Security Numbers-There was a change in the legislature where letters to the State are no longer required; however, a statement must be added to all member pension documents that require social security numbers. Motion by Mr. Brock, seconded by Mr. Lancaster to adopt the social security number disclaimer to be added to all required documents. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

10. Application for Retirement & DROP-Police Officer Alan D. Abner-Motion by Mr. Lancaster, seconded by Mr. Brock to approve the retirement and DROP application, as well as the benefit election option selected by Police Officer Alan D. Abner. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

11. Termination from Employment & DROP Withdrawal-Police Officer James E. Veltri-Motion by Mr. Lancaster, seconded by Mr. Brock to approve Police Officer James e. Veltri's termination and DROP; to begin his monthly pension payments; and any selection of payout of DROP proceeds he requests within the guidelines. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

12. Nomination and Election of Police Officer & Firefighter Pension Trustee Representatives-Ms. Adams said the board received two applications; one for police and one for fire. If a vote was required a post office box would be required. Motion by Mr. Brock, seconded by Mr. Smith to authorize the payment to open a temporary post office box for balloting purposes, if needed. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

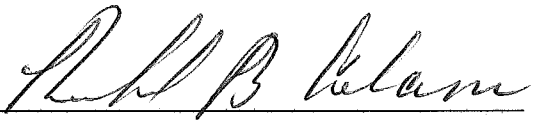
PBP&F Pension Fund
Regular Meeting 10-01
January 13, 2010

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

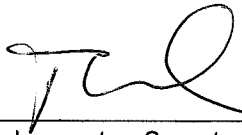
There was no input from any active or retired plan members.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:06 a.m.


Richard B. Adams, Chairperson

ATTEST:


Timothy W. Lancaster, Secretary