

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Meeting 10-04**

Held on the 3rd day of March, 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 9:08 a.m.

ROLL CALL:

PRESENT

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

EXCUSED

William A. Yonce, Sr., Vice Chairman
City Council Appt
Timothy W. Lancaster, Trustee, Police
Elected

Also in attendance was Ms. Kathy Adams, Board Administrator and Kristin Courcier, Pension Assistant. Ms. Laura Clawson, Human Resource Analyst II, City of Palm Bay was in attendance and Councilman Milo Zonka arrived at 9:21 a.m.

AGENDA REVISIONS:

Add New Business, *1. Consideration of Warrants for Payment, d) Foster & Foster, Inc.-\$2,200.00-Professional Actuarial Services, Invoice #1211 (Police Fund) and e) Foster & Foster, Inc.-\$576.00-Professional Actuarial Services, Invoice #1212 (Fire Fund). Motion by Mr. Brock, seconded by Mr. Smith to approve the agenda revisions. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

CONSENT AGENDA:

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

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

ADOPTION OF MINUTES:

*Quarterly Minutes 10-03

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

OLD BUSINESS:

1. **Certification of Ballots for Election of Firefighter Elected Pension Representative**-Mr. Brock hand-delivered the ballots to the meeting upon picking them up at the U.S. Post Office on Palm Bay Road. Ms. Adams and Ms. Courcier opened, logged and counted the ballots. There were 101 mailed ballots; 60 ballots were opened and counted. The results were 20 votes for Benjamin Kiszkiel and 40 votes for Douglas R. Smith. Motion by Mr. Brock, seconded by Mr. Smith to acknowledge and accept that Mr. Smith received the majority votes and would retain his seat as the Fire Elected Pension Representative for the 2010-2012 term. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Brock, seconded by Mr. Smith to close the post office box on Palm Bay Road. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Ms. Courcier left the meeting at 9:41 a.m. and did not return.
2. **Mr. Stephen H. Cypen, Board Counsel**
 - a. **Proposed Policy for Disclosure of Placement Agent Fees**-As discussed at the last meeting, Mr. Cole would be following up with the board at a later 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**-Ms. Adams said the documents were mailed to Beggs & Lane. This item was pending response for further action.
 - 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**-Pending further updates on this legislation and review of documents forwarded to Mr. Cypen and Mr. Friedman.
 - d. **Mr. Robert J. Friedman, Esq., The firm of Holland & Knight, LLP-IRS Letter of Determination of Compliance**-Pending further review by the IRS.
3. **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**-The Fire Union and City are holding a Special Magistrate Hearing this week. Mr. Ginsburg telephoned wanting the board's actuary to conduct an impact study and asked if Mr. Heinrichs, Board Actuary, could be present for the hearing. Motion by Mr. Brock, seconded by Mr. Smith to authorize Mr. Heinrichs to be available for the Special Magistrate Hearing between the City and the Palm Bay Professional Firefighters, Local 2446 with expenses to be paid out of the Fire Fund, if invoiced. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Smith, seconded by Mr. Brock to authorize Mr. Heinrichs to prepare an impact study upon written request from both parties (the City and Palm Bay Professional Firefighters, Local 2446) as a result of the Special Magistrate Hearing. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.
 - b. **General Employee Transfers to Police Officer & Firefighter Status Prior to 1991**-This item is pending further research.
 - c. **Florida Premium Tax Distribution-Police Overtime Benefit Draft Ordinance**-Ms. Adams said she sent this to the City but had not heard any follow-up on it. Councilman

Zonka, when asked, stated he's heard there is a cost to the City and it is pending.

- d. **Update on Correspondence Between the Pension and City Actuaries-Impact Study to Freeze the Plan**-Nothing further at this time.
4. **Milberg, LLP- Portfolio Monitoring Services**-Sample custodial letters had been received by Milberg representatives this week and would be send to SunTrust Bank, the American Funds and J.P. Morgan.
5. **Pension Website-www.pbpf.org**-Mr. Adams said the budget was going to be added to the site.
6. **Office and Laptop Computers**-Mr. Adams said all the old equipment had been turned in; except for Mr. Yonce's and Mr. Adams'. Mr. Adams said the office would keep his and another one as the back-up computers.
7. **Update on Ronald C. Giordano, Jr.-Disability Application**-Ms. Adams said she and Ms. Courcier were preparing the file to send to Dr. Brooks. Ms. Adams told Ms. Clawson they were looking for the pre-employment physical, initial injury report, and the case file.
8. **Buyback Request Police Officer Scott Smith-Buy Back Issue**-This item is pending further follow-up by Police Officer Smith. Ms. Adams said she might remove this from the agenda until further action by Mr. Smith.
- *9. **Interfund Transfer**-An interfund transfer taking \$7,316.98 from the General Employee Fund and depositing \$279.98 to the Police Fund and \$7,037.00 to the Fire Fund for rebalancing. Considered under Consent Agenda and approved as presented.
10. **Payout Expense Account**-Ms. Adams said she had been discussing the Payout Expense Account (PEA) with Ms. Janes, CPA. Ms. Janes recommended withdrawing \$600,000.00 from the PEA to the Fire Fund for investment. The account would then be monitored with a recommendation to authorize withdrawal from the Police Fund to the PEA in April or May. That would help to balance this expense account that is used for routine expenses and monthly retiree payments. Motion by Mr. Brock, seconded by Mr. Smith to authorize the transfer of \$600,000.00 from the Payout Expense Account to the Fire Fund for investment. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

NEW BUSINESS:

- *1. **Consideration of Warrants for Payment**
 - *a) **SunTrust Bank-\$71,127.66-Administrative Fees for Quarter Ending 12/31/09, Invoice #213359**-Considered under Consent Agenda and approved as presented.
 - *b) **SunTrust Bank-\$802.67-Services Rendered for 10/1-12/31/09 Administrative Services for the Euro Pacific Account Invoice #213360 (Police & Fire Fund)**-Considered under Consent Agenda and approved as presented.
 - *c) **Goldstein Schechter Koch-\$1,000.00-Progress Bill for Audit Work FYE 9/30/09- Invoice #69379**-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 Police Officers Edwin Lutz, Natasha N. Medina, Alcine Phang, and Pierre Richer. Member beneficiary forms for retirement purposes were accepted and approved for Police Officers Kevin Folsom, John F. Masse, Barry Self and Firefighters Michael Couture and Arthur L. Renfro. This item was considered under Consent Agenda and approved as presented.

3. Long Range Planning Items-Ms. Adams said the new phones were installed and set up. The old phones were not in working condition. One was the original phone purchased about 15 years ago and was used at the Hilton office site. The other was purchased when the office was moved to Conlan Professional Center. Councilman Zonka and Mr. Brock stated electronics could be taken to Lowes' or Home Depot. Motion by Mr. Smith, seconded by Mr. Brock to dispose of the phones at the Lowes' electronic recycling center. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Ms. Adams said the part-time position was placed in the Hometown News, on the pension website and with Brevard Community College. Florida Today was not used as their cost would be \$500.

***4. Review of Correspondence:**

a) Monthly Bank Statement-STI, 01/31/2010-The market value of the SunTrust Funds at 01/31/2010 was \$105,152,290.30. The market value of the International Funds, which are part of the SunTrust portfolio, is \$13,933,256.70. The Grand Total of all the Funds at 01/31/2010 was \$112,047,249.91. This item was considered under Consent Agenda and approved as presented.

b) Monthly Statement-JPMorgan Strategic Property Fund, 01/31/2010-The market value for the JPMorgan Strategic Property Fund at 01/31/2010 was \$6,894,959.61. This item was considered under Consent Agenda and approved as presented.

c) Letters from Ms. Passmore, City Clerk, Palm Bay-City Council Trustee Appointments

5. Board Business-The office received an Office Depot rebate of \$16.57 that would be used for routine office supplies. The Sunshine Law on CD had been ordered as previously approved. The office received a sales letter from Brighthouse. They did install a box outside each office for possible hook-up. The board asked Mr. Adams to contact them about the letter. Mr. Adams said the Florida Public Pension Trustees' Association contacted him about sitting on the Advisory Board for the Retiree Association and he had accepted.

6. Upcoming Events-Educational Opportunities-Ms. Adams said Mr. Lancaster would not be attending the Division of Retirement School. Mr. Adams said he would not be attending. Mr. Adams said the National Users' Group meeting is being held in Dallas, Texas April 21-24, 2010. Mr. Adams said he and Mr. Brock attended last year as Mr. Adams hosted the meeting prior to last year. Mr. Brock said he would be interested in attending. Motion by Mr. Smith, seconded by Mr. Brock to authorize sending two individuals to the National Users' Group meeting in Dallas, Texas with routine expenses paid by the fund. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

***7. Acknowledgement of Buyback Purchase on Police Officer Stephen Bland and Buyback Request on Firefighter Brad Pickard-**This item was considered under Consent Agenda and approved as presented.

8. Expected Rate of Return-F.S.S. 112.661(9) for the Division of Retirement-A letter had been prepared by Mr. Cole for remittance to the Division of Retirement as required. Councilman Zonka had concerns about the letter. Ms. Adams read an email from Mr. Cole that addressed Councilman Zonka's concerns along with a new letter for the Division of Retirement. Mr. Adams discussed the assumption rate stating that if the City was looking at lowering the assumed rate of return it would cause an immediate unfunded liability at an approximate rate of \$1.1 Million per 1% decrease. Motion by Mr. Brock, seconded by Mr. Smith to accept the letter and to forward it to the appropriate parties. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

PBP&F Pension Fund
Regular Meeting 10-04
March 3, 2010

- *9. **Application for Retirement-Police Officer John F. Masse**-This item was considered under Consent Agenda and approved as presented.
- *10. **Application for Retirement-Police Officer Willard Kevin Folsom**-This item was considered under Consent Agenda and approved as presented.
- *11. **Termination Refund/Rollover/or Vested Termination, If Eligible-Police Officer Scott Zimmerman**-This item was considered under Consent Agenda and approved as presented.

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

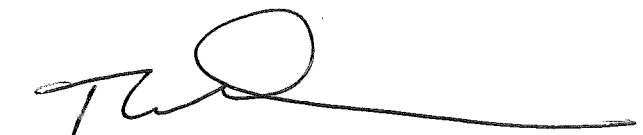
There was no input from any active or retired plan members.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:40 a.m.


Richard B. Adams, Chairperson

ATTEST:


Timothy W. Lancaster, Secretary