

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Special Meeting 11-13**

Held on the 15th day of September 2011 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 9:03 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Board Appointee
Timothy W. Lancaster, Vice Chairman, Police Elected
Douglas R. Smith, Secretary, Fire Elected
James W. Brock, Trustee, City Council Appointee

EXCUSED

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

Also in attendance was Ms. Kathy Adams, Board Administrator; Firefighter David Ginsburg, President, Palm Bay Professional Firefighters, IAFF, Local 2446; Mr. Chad Shoultz, Deputy City Manager and Ms. Joyce Dias, Human Resource Officer, City of Palm Bay. Mr. Brad Heinrichs, Board Actuary, telephoned at 9:16 a.m.

Motion by Mr. Lancaster, seconded by Mr. Brock to excuse Mr. Capote's absence because he was working. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

AGENDA REVISIONS:

Motion by Mr. Lancaster, seconded by Mr. Brock to add to the Agenda under Business Item 2. The City of Palm Bay and The Fraternal Order of Police, Lodge 111-Negotiations-Request for Impact Study and Item 3. Office Location. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

Mr. Adams read Form 8B Memorandum of Voting conflict for County, Municipal, and Other Local Public Officers presented during the September 7th meeting dealing with the Merrill Lynch case and the board administrator's contract. Mr. Brock read Form 8B Memorandum of Voting conflict for County, Municipal, and Other Local Public Officers presented during the September 7th meeting dealing with the Merrill Lynch case.

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CONSENT AGENDA:

No items were listed under Consent Agenda.

BUSINESS:

1. **The City of Palm Bay & The Palm Bay Professional Firefighters, IAFF, Local 2446-Review of Draft Pension Ordinance**-Ms. Adams said she spoke to Mr. Cypen, Board Attorney, and he has not reviewed the draft ordinance but the board can move forward pending his review. Mr. Adams referred to the effective date being changed from April 1, 2011 to the date the ordinance is passed. Mr. Heinrichs was telephoned at 9:16 a.m. He said he and Mr. Cypen took objection to the original ordinance. It would not do what the City intended it to do which was to take the state contributions to fund the City's contributions plus benefits changed from those in place on March 1999. He stated it would reduce future funding. Mr. Heinrichs looked at the ordinance and said they are still not there. He said in 1999 there was no cap regarding page 4, item 2. Mr. Linn, City Attorney, said to put in the cap and it may have to be eliminated. Mr. Heinrichs said the draft is still preliminary. He told Mr. Linn that he felt it violated Internal Revenue Service rules regarding cutting back accrued benefits. This was the prior ordinance for the supplements. He said he has not reviewed any revision on this referencing IRS Code 411.d6. He said some of his recommendations were material to comply with the State. He felt the City and the Fire Union should get back with each other for discussion. They need to be comfortable with the changes or renegotiate them to address the changes. Mr. Ginsburg said he has concerns about the board doing anything today. He questioned draft ordinance A. His concern is that A should be null and void if B is not enacted. Mr. Heinrichs said he mentioned it to Mr. Linn and that there is usually language that A is contingent upon passage of B. Mr. Ginsburg insisted there be protection in ordinance A if ordinance B is passed. Mr. Heinrichs said it is standard language in such ordinances around the State. Mr. Heinrichs said he knows the City wants him to conduct an Impact Statement. The board needs let him know whether to go ahead now or wait until a final draft is ready. He said this work is expensive so he does not want to run up costs pending final ordinance language. Mr. Shultz said it sounds like another conference call is needed between Mr. Heinrichs, Mr. Cypen and Mr. Linn. Mr. Heinrichs said page 6, ordinance B is where the IRS and State law questions come into play. An attempt was made to correct it, but Mr. Heinrichs has not looked at it. Mr. Ginsburg questioned page 4, B regarding the 80-90%. Mr. Heinrichs said the reason he objected was he thought the City wanted to utilize more state money than in the past, not less. State law says they cannot reduce benefits prospectively to new hires or current employees to lower than what was in place in March 1999; if so, you lose State money. Based on his research, there was no cap in 1999. The prior draft caps it at 80%; Mr. Linn changed that to 90%. Mr. Heinrichs thinks it still doesn't fly. There is a law back in the 1980's that states you can't make more than 100%, but that does not apply to supplements. Motion by Mr. Lancaster, seconded by Mr. Brock to authorize Mr. Cypen, Mr. Heinrichs and Mr. Linn to have a conference call to clarify and to have another special meeting before October 12, 2011, if needed to expedite this item. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Mr. Heinrichs clarified that he is not to conduct an Impact Statement until further authorization from the board. Mr. Heinrichs telephone call ended at 9:38 a.m. Mr. Shultz left the meeting at 11:39 a.m.

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2. The City of Palm Bay and The Fraternal Order of Police, Lodge 111-Negotiations-Request for Impact Study-Motion by Mr. Smith, seconded by Mr. Brock to authorize Mr. Heinrichs to conduct an Impact Study on the request from the City and the Fraternal Order of Police, Lodge 111. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

3. Office Location-Mr. Adams said he looked at the building on US1 being used by the Bayfront Redevelopment Agency (BRA). There was discussion about the building being up for sale. Mr. Shultz returned to the meeting at 9:59 a.m. Mr. Adams stated the BRA space offered is insufficient. He discussed the building as a possible investment for purchase. Mr. Lancaster said he felt the offices at the end of the hallway in Conlan Professional Center was still on the table. Mr. Shultz said the City just leases space within the building on US1. Motion by Mr. Brock, seconded by Mr. Smith to put this item on the agenda for the next regular meeting. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

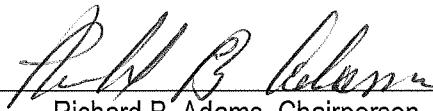
There was no input from any active or retired plan members at this time.

INPUT FROM THE PUBLIC:


There was no input from the public at this time.

ADJOURNMENT:

There being no further business, the meeting adjourned at 9:57 a.m.


Richard B. Adams, Chairperson

ATTEST:


Douglas R. Smith, Secretary