

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Special Meeting 13-02**

Held on the 18th day of January 2013 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.

Richard B. Adams, Chairperson, called the meeting to order at the hour of 9:19 a.m.

ROLL CALL:

PRESENT

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

EXCUSED

Timothy W. Lancaster, Vice Chairman,
Police Elected
Guillermo William Capote, Sr., Trustee,
City Councilmember Appointee

Also in attendance was Ms. Kathy Adams, Board Administrator; Ms. Katie Taglia-Polak, Pension Assistant; Ms. Lark Janes, CPA/Partner, Janes, Dinho & O'Keefe, LLP and Clements Johns, Senior Manager, Director, Goldstein Schechter Koch, CPA.

Motion by Mr. Brock, seconded by Mr. Smith to excuse Mr. Capote's and Mr. Lancaster's absence. Mr. Capote was in Washington DC for a City conference and Mr. Lancaster was attending the Executive Leadership Institute offered through Brevard County. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Smith, Yea; and Mr. Adams, Yea.

AGENDA REVISIONS:

Motion by Mr. Brock, seconded by Mr. Smith to add "Director" to Mr. Johns' title and to correct Ms. Janes' business listing from LLC to LLP. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

CONSENT AGENDA:

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

PRESENTATIONS AT 9:15 A.M.:

1. Mr. Clement Johns, Senior Manager, Goldstein Schechter Koch, CPA-Audit for Fiscal Year Ending 9/30/12-Mr. Johns said they issued a clean opinion on the statement of the plan and are fairly stated in conformity with the accounting principles generally accepted in the United States. He reviewed the Management Discussion pages. He stated the net assets of the plan reflect total assets of \$143,670,664 at September 30, 2012. The investments are \$134,772,637.00; receivables are

\$143,670,664.00; due from brokers \$2,255,175.00 resulting from trade date versus settlement date which is a timing issue. Liabilities were \$11,259,719.00 due from brokers and Deferred Retirement Option Program (DROP) accounts; net assets at 9/30/2012 was \$132,410,945.00; last year it was \$115,561,720.00 marking an increase of \$16,849,225.00 during fiscal year 2012. There was an investment income gain of \$20,484,048.00 this year; last year there was an investment loss of \$372,815.00. This has been a good year. Most plans they have audited are falling into this range. Employer contributions were higher last year; the Stop/Restart from the Fire Fund impacted this because of the City credit of \$825,000.00. Retiree and member benefits paid were \$6,495,584.00 this year; last year it was \$5,570,970.00 which include DROP accounts on file and retirees. The DROP accounts represent \$2.5 Million. He reviewed the notes in the financial statements. The notes are changes to the plan regarding a tier change for the Fire Fund and new benefits. The bulk of the changes were for firefighters. He reviewed additional pages that reflect the actual amounts paid by the State and the City. He said prepaid contributions for the Police Fund is \$267,240.00 and for Fire Fund is \$699,003.00 for total excess contributions of \$966,243.00. The funding ratio is 80%; most plans are 67%. This Fund is higher due to the bond payment and the impact of the 2008 low investment year. He said the future should be much better as the 2008 numbers will drop off. He reviewed the investment and administrative expenses stating the bulk of the expenses were actuarial costs and for the office build-out. Motion by Mr. Brock, seconded by Mr. Smith to accept and approved by the audit. Motion carried with members voting as follows: Mr. Smith, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Mr. Johns said his firm will be issuing a SAS governance report. It reflects any suggestions and any issues that came up during the audit. He said there were none. He said everything went smooth with full cooperation by providers. He said Ms. Adams will be forwarding the representation letter from the Board.

2. Ms. Lark Janes, Partner/CPA, Janes, Dinho & O'Keefe, LLC-Accounting Update-Ms. Janes said it was a pleasure to work with Mr. Johns and his staff. They are very professional. The transition with Regions was good. Mr. Adams mentioned that the Board may want her to attend the upcoming Council Workshop and we would get back with her.

NEW BUSINESS:

1. Richard Adams-Volunteer Recognition by Palm Bay City Council-Mr. Adams said Mayor Capote presented him with a very nice plaque and City pin. He said the lightening in the parking lot has been redone and he is having Katie work on blind estimates for the windows.

***2. Consideration of Warrants for Payment**

***a) Burgess Chambers & Associates, Inc.-\$13,750.00-Performance Monitoring & Advisory Fee for Fourth Quarter 2012; Invoice 13-01**-This item was considered under Consent Agenda as revised and approved as presented.

***b) Public Retirement Information Systems Management-\$150.00-Annual Membership Dues for PRISM 2013, Invoice No. 0109**-This item was considered under Consent Agenda as revised and approved as presented.

***3. New Plan Member Application, Member Beneficiary Changes, Pre-Retirement Death Benefit Option Selection and Retirement Beneficiary Forms**-A member beneficiary form was accepted and approved for Firefighter Eric W. Eschmann. This item was considered under Consent Agenda as revised and approved as presented.

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***4. Retired Firefighter Vera Render Reduction of Payment-Remove Age 65 Supplement-**This item was considered under Consent Agenda as revised and approved as presented.

***5. Termination from Employment; Begin Regular Monthly Retirement Distribution; Authorize DROP Distribution and Annual DROP Disbursement, if Selected-Police Officer Leon Terkoski-**This item was considered under Consent Agenda as revised and approved as presented.

***6. Deceased Police Officer Mathew W. Sheppard-Rollover Request by Beneficiary-**This item was considered under Consent Agenda as revised and approved as presented.

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:

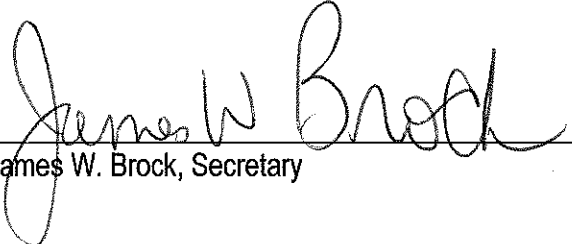
There was no input from the public at this time.

ADJOURNMENT:

There being no further business, the meeting adjourned at 10:20 a.m.


Richard B. Adams, Chairperson

ATTEST:


James W. Brock, Secretary