



# City of Palm Coast

Fire Station #25  
1250 Belle Terre Parkway  
Palm Coast, FL 32164

## Meeting Minutes Volunteer Firefighters' Pension Board

*Chair Charles Esposito*  
*Vice Chair Timothy Wilsey*  
*Board Member Daniel Brazzano*  
*Board Member John Pickard*  
*Board Member Robert Schroeder*

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Friday, January 9, 2015

8:30 AM

Fire Station 25

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**Staff: Chris Quinn, Finance Director**  
**Peggie Calkins, Recording Secretary**

>Public comment will be allowed consistent with Senate Bill 50, codified at the laws of Florida, 2013 – 227, creating Section 286.0114, Fla. Stat. (with an effective date of October 1, 2013). The public will be given a reasonable opportunity to be heard on a proposition before the City's Volunteer Fire Fighters Pension Board, subject to the exceptions provided in §286.0114(3), Fla. Stat.

>Public comment on issues on the agenda or public participation shall be limited to 3 minutes.

>If any person decides to appeal a decision made by the Volunteer Fire Fighters Pension Board with respect to any matter considered at such meeting or hearing, he/she will need a record of the proceedings, including all testimony and evidence upon which the appeal is to be based. To that end, such person will want to ensure that a verbatim record of the proceedings is made.

>The City of Palm Coast is not responsible for any mechanical failure of recording equipment.

>Other matters of concern may be discussed as determined by the Volunteer Fire Fighters Pension Board.

>If you wish to obtain more information regarding agenda, please contact Recording Secretary Peggy Calkins at 386-986-2300.

>In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk at 386-986-3713 at least 48 hours prior to the meeting.

>All pagers and cell phones are to remain OFF while City Council is in session.

### **A. CALL TO ORDER**

*The meeting was called to order at 8:30 AM*

### **B. PLEDGE OF ALLEGIANCE**

### **C. ROLL CALL**

**Present:** 5 - Chair Esposito, Vice Chair Wilsey, Board Member Brazzano, Board Member Pickard, and Board Member Schroeder

### **D. MINUTES**

**E. FINANCIAL STATUS OF PLAN ACCOUNTS**

**F. LEGAL REVIEW**

**G. NEW BUSINESS**

*The meeting was called to order at 8:35 AM.*

*Mr. Esposito notes this is a special meeting to cover one subject to inform the Board of the status of the pension plan as it relates to a share plan. Distribution of the excess reserve needs to be resolved. The proposed share plan was prepared by Ice Miller who filed for a private letter ruling with the IRS. A letter from the IRS was just received which said in essence we were clear to go on Ordinance as written. City of Palm Coast got letter from Board attorney that it was a go. The Board, attorney and actuary have been invited to a City Council workshop on February 10 and he wants the Board to be aware of what is going to happen on the 10th. As a reminder what was submitted to the IRS was new ordinance; the old ordinance was defined benefit plan and the new plan incorporates the defined benefit and a share plan. City has option to end plan but is committed to plan benefits. State contributions more than satisfy Plan requirements.*

*We elected to go to a share plan because there was no way to diminish the increase in excess reserve funds without increasing potential City liabilities. Benefits are solely determined by excess amount. No excess, no share. Restriction by virtue of IRS for what a volunteer firefighter can acquire under pension benefit per year comes up to be \$3,000 per year (maximum).*

*Chris Quinn states limit is how much can be taken per year per year. Regardless of how much money, first year everyone will get large amount. Going forward money will go to active people in the plan.*

*Have included years not yet vested. High percentage of volunteers do not make 5 years.*

*Defined Benefit Plan*

*Vesting = 5 qualified years (minimum)*

*Standard Benefit = \$65 per month per year*

*City has the option to end plan but is committed to already acquired benefits.*

*Plan is funded by State via homeowner insurance surtax without fund input from City of Palm Coast.*

*To date (10/1/2014) plan is 120% funded excluding excess reserve.*

*Share Plan*

*Vesting – 5 qualified years (minimum)*

*Benefit – is derived from Excess Reserve as validated by actuary Foster & Foster*

*Obligation – There is no obligation to share plan benefit if there is no excess*

*Reserve. Benefit is solely determined by excess reserve amount. No excess = no share plan benefit*

*Distribution Calculations – Excess Reserve and total qualified years will be converted to valued shares based upon number of total qualified years. Per distribution period as determined by*

*Board of Trustees and approved by City of Palm Coast.*

*MAXIMUM PENSION FOR VOLUNTEER CANNOT EXCEED \$3000 PER YEAR PER YEAR, I.E., 5 YEARS SERVICE MAX = 5 YRS X3,000 = \$15,000 PER*

YEAR/PER YEAR.

FIRST SHARE PLAN DISTRIBUTION – METHOD/CALCULATIONS/DEFINITIONS

A = Reserve assets for plan improvement from 2002 thru Sept. 2014 as validated by actuary. (Up to 5 years added credit for years of serviced prior to 2002)

R = Reserve retained for continuing share plan support

D = Reserve available for distribution to past and present active members with vested qualified years of service.

Q = Total number of qualified years attained by all active members through September 2014. Represents total number of shares (Non vested qualified years included)

G = Each individuals number of qualified years through September 2014

S = calculated per share

I = Calculation of individual member qualified years x per share value

Formula

$D=A-R$

$Q= 272$

$S=Divided\ by\ Q$

$I = S \times G$

*Mr. Brazzano makes a motion to accept the Plan as described to go to City Council.*

*Mr. Schroeder seconds the motion and all in favor.*

**H. OLD BUSINESS**

**I. PUBLIC COMMENTS**

**J. DISCUSSION BY BOARD OF ITEMS NOT ON THE AGENDA**

**ADJOURNMENT**

*Mr. Wilsey makes a motion to adjourn.*