



# 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, May 15, 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

*Meeting called to order 8:35*

### B. PLEDGE OF ALLEGIANCE

### C. ROLL CALL

### D. MINUTES

*Mr. Brazzano makes a motion to accept the minutes of the last meeting, seconded by Mr. Wilsey*

*Selection of new board. All terms are approaching expiration, Mr. Esposito has a copy of the minutes approving Charles Esposito and Dan Brazzano by City Council. He also has a letter from the president of the Corporation selecting John Pickard and Tim Wilsey. The four selected members need to select a 5th member. Mr. Esposito nominates Bob Schroeder seconded by Mr. Brazzano. Mr. Schroeder's nomination will have to go the City for concurrence. Current officers are within 2 year appointment timeframe and will need to be reappointed in November of this year.*

## **E. FINANCIAL STATUS OF PLAN ACCOUNTS**

*Chris Quinn states the report is through 3/31/2015 with an overall good income quarter of just under \$ 94,000. Fund B money has been recouped with 100% back from that fund. Excess is to be distributed by proportionate scale and we should have an additional \$20,000-\$30,000 coming to us. Smaller line items include Wells Fargo Bank and State Pool A represent accounts closed and monies transferred to the League of Cities account. No new retirees in the quarter. Invoices for consideration include the actuarial and attorney fees. There is a copy of e-mail from ICE Miller regarding share plan portions for retirees asking if they can roll it over. The answer is basically no, monies cannot roll into IRA's and Mr. Christiansen states that payments cannot be deferred. It may take two to three years to pay it all out. The Plan payment must comply with the IRS mandated maximum of \$3,000/year/year annual volunteer compensation requirement. All current retirees will get everything due but may necessitate a carry over for 2-3 years. Plan members will get a letter from League outlining benefits to be paid. Foster & Foster expects to have share calculations available for implementation in about 1-2 weeks from 15 May 2015, at which time they will be provided to the Board of Trustees and the City of Palm Coast for review and approval. The approved calculations will then be provided to the League of Cities for implementation. The League will have to wait to hear back from retirees as to where to send payout. Need to get this done before next year allocation is received. Letter will have calculations spelled out. Reality is when talking about money they will not be hard to find. The valuation report is attached to the finance report and contains all new requirements.*

*Motion to pay invoices by Mr. Wilsey, second by Mr. Brazzano. Unanimous approval.*

*Mr. Brazzano makes a motion to accept the financial report as written, seconded by Mr. Wilsey. Unanimous approval.*

*Mr. Doug Lozen of Foster & Foster reports the following:*

*On Page 5 of the Actuarial Valuation report the city contribution remains at zero. There are two sources of investments. Total required contributions have diminished somewhat. This valuation period the required contribution went from \$127,000 to \$117,000. The frozen State money of \$144,000 still more than covers it. The State contribution amount being received has been averaging more than \$300,000 per year. \$144,000 still more than covers administrative charges and there is an excess within the operating (frozen) budget. In talking about the excess State monies reserve, all monies received are in assets. The excess reserve will be split into two lines on the Actuarial Report. The first line will be the permanent reserve and the second the excess applied to the Share Plan.*

*Starting on page 33 of the Actuarial Report are the disclosures related to new governmental accounting standards. These note the funded status of the plan as well as a member of other statistical comparisons. Chris Quinn will make sure the actuarial reports for the last three years running are available on the City website.*

*Doug Lozen will send the report to the State and the Board of Trustees*

*Mr. Wilsey makes a motion to approve the Actuarial Valuation Report, seconded by Mr. Brazzano. Unanimously approved.*

*Mr. Quinn asked how often we should revisit rate of return. Every year, every 2 years? Should we check in with League and see if long term rate of return changes. Mr. Lozen indicated this would be a good idea to reach out to League every year or so. Motion to declare expected rate of return will be needed at the next meeting, He will get the number confirmed by League and then we can have motion at next meeting.*

## **F. LEGAL REVIEW**

*Legal Review:*

*Mr. Christiansen offers a reminder the members should be getting financial disclosure forms to complete which are due by July 1. Must be submitted by 7/1/2015. Beginning 9/1 a fine starts if not submitted.*

*We got the new ordinance passed with the share plan. A Summary Plan Description was done last November, only required to do every 2 years unless we have change. Recommend updating summary plan description for share plan. Mr. Wilsey makes a motion to authorize Mr. Christiansen to update the Summary Plan Description, seconded by Mr. Pickard. Unanimously approved.*

*A memo from Christiansen & Dehner was sent to Mr. Esposito regarding public records exception. All records are public records and for disclosure. One exemption is personal information for public records. An exception to the exemption is that private information be exempt for foreclosure. If same information is in the hands of unless city requested info be confidential. Pension Board we request you maintain the exemption for personal information.*

*In the area of legislation there is not too much effect on us. Both House and Senate passed two bills. First will change the numbers a little bit but not much. Bills were sent to governor. Going forward instead of using mortality tables that Foster & Foster uses we will have to use the State table. It's a more conservative table than we currently use. The second bill has no impact on us. Volunteer plan has no multiplier. Bill changes methodology for using state money. If there is no mutual agreement then money goes to defined benefit plan. Legislation will not affect use. Disagreement between organization and city has not been easy. We have to go to IRS and spend monies- had to use funds that made city liable for some expense. Can we use reserve fund monies for administration. Allow city to use portion of state money to administer Plan changes. Administrative expenses are paid by state money. State money is used to pay all expenses. Easiest way to go is not to first go to the state monies. \$144,000- frozen amount used to fund the plan. If that isn't enough the Board of Trustees and City could seek to increase the frozen amount.*

*Question about change. Mr. Esposito was queried by members of the group for distribution. People who left and then came back could make up years necessary to vest but would have to give 2 years additional service. Can we implement that without changing the Ordinance. Allowing them to gain additional years to get vested but have to provide 2 more years to get credit. Mr. Christiansen states we cannot do this without changing the Ordinance. Board of Trustees agreed that this action should not be pursued as this time.*

*Shortly after the share plan was adopted we received a public records request for documentation for minutes, etc. Why? Totally a volunteer pension plan. Question is there some issue with volunteer only ordinance. Mr. Christiansen felt it was prudent to contact State and get verification that we are okay as a volunteer plan only or are we required to accommodate career firefighters in this plan. Mr. Christiansen sent letter to the State and the State called and said they supported the volunteer only plan.*

**G. NEW BUSINESS**

*Chris Quinn wanted to confirm again that with the share plan component we have beneficiary forms for all participants. It was stated that we do have beneficiary information for all recipients.*

*Mr. Quinn also suggests the next project for the Board is to put a written investment plan in place. Mr. Christiansen states we have investment policy through the League. Mr. Quinn is suggesting more of a process policy document. What kind of plan – League of Cities policy. Mr. Christiansen states we have a policy through the League of Cities. We are meeting the requirement with the League. Mr. Quinn suggests we should follow what the City has done. Mr. Quinn is to put something together for consideration, He also states it would be a good idea to put into the report a couple pages of the Leagues quarterly report every quarter.*

*Mr. Lozen is going to provide data to Chris Quinn and to the Trustees regarding share plan distributions. He anticipates he will have the data in about two weeks. Mr. Brazzano makes a motion to authorize the distribution of the money in accordance with the calculation provided by Foster & Foster, seconded by Mr. Schroeder. Unanimous approval.*

*It was reported there is a request for Plan records that is being handled by the City Clerk's office.*

**H. OLD BUSINESS**

**I. PUBLIC COMMENTS**

*No members of the public were present.*

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

**ADJOURNMENT**

*Motion by Mr. Brazzano to adjourn the meeting at 10:10 AM. Seconded by Mr. Schroeder.*