



# 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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Wednesday, November 9, 2016

8:30 AM

Fire Station 25

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**Staff: Christopher Quinn, Finance Director**  
**Virginia A. Smith, City Clerk**

>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 the City Clerk @ 386-986-3713.

>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

*Chair Esposito called the meeting to order at 8:40 a.m.*

### B. PLEDGE OF ALLEGIANCE

### C. ROLL CALL

**Present:** 3 - Chair Esposito, Vice Chair Wilsey, and Board Member Brazzano

**Excused:** 2 - Board Member Pickard, and Board Member Schroeder

### D. MINUTES

1 [16-342](#)

APPROVAL OF THE MINUTES OF THE VOLUNTEER  
FIREFIGHTERS PENSION BOARD:

A. August 12, 2016

B. September 9, 2016 Special Meeting

**Attachments:** [August 12, 2016 VFFPB Meeting](#)

[September 9, 2016 VFFPB Special Meeting](#)

**A motion was made by Vice Chair Wilsey, and seconded by Board Member Brazzano, that the Minutes be Approved as presented. The motion was adopted by the following vote:**

**Approved:** 3 - Chair Esposito, Vice Chair Wilsey, and Board Member Brazzano

**Excused:** 2 - Board Member Pickard, and Board Member Schroeder

**E. FINANCIAL STATUS OF PLAN ACCOUNTS**

*Mr. Quinn provided an update of the financial status of the plan. Mr. Quinn provided a financial report to the Board, which is attached to these minutes.*

*Mr. Quinn-Letter from Doug Lozen, Actuary, which is attached to these minutes, relating to the calculations of the impact of lowering our rate of return. It is a minor impact. Also attached to these minutes is the September 30, 2016 Memorandum of account statement. There are three invoices to be approved for attorney's fees, quarterly fee for management of the plan from FLC, and John Pickard retirement.*

*Chair Esposito-On the Florida League of Cities website, where they allocate for every year, for every organization in the League of Cities, there is an expense charge listed, is that the one for the League of Cities? Ans: Mr. Walton-I do not believe on the website there is any Defined Benefit, but in and for your individual plan-yes.*

*Mr. Quinn-The budget is available on the City's website and on the Florida League of Cities website for our plan, so all the compliance notices are linked to our website.*

*Mr. Quinn-I will schedule a PowerPoint for the next meeting to show the website, so you can see all the information that is available.*

*Motion to approve invoices by VC Wilsey and seconded by BM Brazzano. Motion passed unanimously.*

*Motion to approve John Pickard's retirement. VC Wilsey made a motion to approve John Pickard's retirement, which was seconded by BM Brazzano Motion passed unanimously.*

*Accept financial report for the quarter. VC Wilsey made a motion to accept the financial report for the quarter, which was seconded by BM Brazzano. Motion passed unanimously.*

**F. LEGAL REVIEW**

*Attorney Christiansen reminded all members terms are up in May. John will be gone, so we need a new elected member.*

*Attorney Christiansen-All members completed their Form 1.*

*Mr. Quinn-Do we have to replace John before the February meeting? Ans: Attorney Christiansen-The only problem is if you do replace John right away, then theoretically that person is serving out that term until next May. So then you would have to do it again. So, theoretically you could leave the opening until after the first of the year. We have a quorum so we can do business. Suggested doing it all at once.*

*Attorney Christiansen-The formal letter that we do every year to the Council has to be completed (Pension letter #2). Has to be addressed to the City Council.*

*Attorney Christiansen-Tax Attorney regarding to see if any tax law changes will affect the plan to keep the plan tax qualified.*

*Chair Esposito-Did we have any fall out from the IRS review (Ice Miller's concerns)? Ans: Mr. Christiansen-We certainly are not going to highlight that for them. No news is good news with regard to the IRS. When we redid the plan were were in really good shape. This is just a maintenance thing. We want to make sure that if the IRS does come in, the current plan has all the requirements in it in order to maintain our tax qualification status.*

*BM Brazzano-Do you know when there will be future education courses? Ans: Mr. Christiansen-For FPPTA or the State? There will be a State conference. It is run twice a year; will be one in Tallahassee after the first of the year.*

*Attorney Christiansen offered to provide training to the Board on Board fiduciary responsibilities.*

*Chair requested to schedule the training in May. Attorney Christiansen will provide the training for approximately one hour. on May 12, 2017.*

## **G. NEW BUSINESS**

*Chair Esposito-Was there a document sent regarding records? Who would complete that? Ans: Mr. Christiansen-Yes, that letter is for the records management liaison. The City Clerk will complete the form.*

*Attorney Christiansen discussed continuing education for May. Offered to provide training as he does with all clients.*

*Chair Esposito-Is there a state portal for filing the annual report? Ans: Attorney Christiansen-Reporting will be electronically. Ans: Mr. Quinn-The League does that for us, we prepare the data and the League files it.*

## **2      [16-336](#)**

### **RESOLUTION 2016-XX APPROVING A NEW TRAVEL POLICY**

**Attachments:**      [Resolution Travel Policy.docx](#)  
                                 [VFFP Travel Policy Draft](#)

*Mr. Quinn presented an overview to this item.*

*Attorney Christiansen-Operating procedures-suggested adopting travel policy (reimbursement guidelines) as a portion of the Board's operating rules and procedures as part of Rule 1.6.*

*BM Brazzano-How does this policy work, how do you apply for it, how do you get*

*reimbursed? Ans: Mr. Quinn-The reimbursement rate for mileage is the IRS reimbursement rate which is City policy. I believe it is \$.59 cents. It changes January 1 of every year. The meals for overnight travel-there is a federal per diem schedule that we use which depends on the location of the travel. The hotel basically is the best deal we can get on a reasonable hotel. (In short). It is a simple request to the Board to take a class, if approved by the Board, you would work with Kay to get all the paperwork put in.*

*Attorney Christiansen-According to the operating procedures Board members are required to meet the minimum education requirements at least once in two years.*

*Chair Esposito-Is the "in-house" training sufficient to cover the requirement for the once every two years? Ans: Attorney Christiansen-Yes.*

**The agenda item was adopted as amended.**

**3**      [16-335](#)

**RESOLUTION 2016-XX APPROVING SETTING THE RATE OF RETURN ON PENSION ASSETS FOR THE ANNUAL ACTUARIAL VALUATION AT A TARGET OF 7%**

**Attachments:**      [Resolution Set Rate of Return.docx](#)  
[\[FIN - VFF Pension Docs\] 10-6-2016 - 10-6-2016 - ACTUARIAL IMPACT 7% LT RATE OF RETRUN](#)

*Chair Esposito-How was this presented? Ans: Attorney Christiansen-That was presented in the study that was done by the actuary to let you know what the cost associated with the 5.75% to 7%. I guess it was recommended to go to the 7%.*

**A motion was made by Vice Chair Wilsey, and seconded by Board Member Brazzano, that the Agenda Item be adopted. The motion was adopted by the following vote:**

**Approved:**    3 -    Chair Esposito, Vice Chair Wilsey, and Board Member Brazzano

**Excused:**    2 -    Board Member Pickard, and Board Member Schroeder

**4**      [16-379](#)

**APPROVING THE 2017 MEETING DATES FOR THE CITY OF PALM COAST VOLUNTEER FIREFIGHTERS' RETIREMENT SYSTEM BOARD**

**Attachments:**      [COPC VPB Memo 9-1-16 Proposed Meeting Dates.pdf](#)

*Rodney Walton, Florida League of Cities suggested moving the dates up one week earlier to have extremely fresh quarterly reports.*

*Attorney Christiansen-That would be a problem for me. You could move back the two quarter meetings that I am not here. Chair Esposito-No, why do that.*

*Vice Chair Wilsey-May 12-can we change time to 8:00 a.m. so we can allot for the training? Ans: Chair Esposito-Let's leave at 8:30 a.m. (This will allow for others who attend, time to arrive).*

**A motion was made by Vice Chair Wilsey, and seconded by Board Member Brazzano, that the Agenda Item be adopted. The motion was adopted by the following vote:**

**Approved:**    3 -    Chair Esposito, Vice Chair Wilsey, and Board Member Brazzano

**Excused:** 2 - Board Member Pickard, and Board Member Schroeder

## H. OLD BUSINESS

### 5 [16-448](#)

#### DISCUSSION ON SHARE PLAN DISTRIBUTION -CONTINUED FROM AUGUST 12, 2016 VOLUNTEER PENSION BOARD MEETING

*Chair Esposito-May 13, 2016 meeting-share distribution pay out discussion held.  
White board discussion notes are attached to these minutes.*

*Attorney Christiansen-That was actives and retirees, right? Ans: Chair Esposito-Yes.  
Everyone was included.*

*Attorney Christiansen-Up above, the \$1.2 was divided and calculated and  
distributed-that is history that is gone. Ans: Chair Esposito-Yes, I am using this as a  
baseline for the formula for 2015 (white board).*

*Attorney Christiansen-This is all in the Ordinance, correct? Ans: Chair Esposito-Yes.  
I am trying to clarify the May minutes.*

*BM Brazzano-That \$7K got credited to each members' defined benefit plan? Ans:  
Chair Esposito-Correct.*

*BM Brazzano-Each one of those 23 people received the \$7K theoretically. Ans:  
Chair Esposito-Theoretically.*

*Mr. Quinn-The question that Chair Esposito is trying to convey is how should the  
excess reserve calculation be divided? Should it be divided so that the people who  
are in longer get more of it each year or should it be that everyone who earns a year  
of service, whether they are there 1 year or 10 years gets the exact same amount of  
that reserve? What has to be determine is do we continue with the formula from  
2015 or should it be that everyone that earned a year of service gets the same piece  
of the action. Ans: Attorney Christiansen-You can make that change if you want to  
but that is not plan says now. So the formula that we have now is based on years of  
credited service with those having more years of credited service getting a bigger  
piece.*

*Chair Esposito-May 13, 2016 minutes needs to be corrected. In both cases it is not  
what happened.*

*Chris Quinn-The share value was the same for everybody but everybody did not get  
the same amount of money.*

*Chair Esposito-For that year they did. Ans: Mr. Quinn-No.*

*Mr. Walton-It does not (audio intangible) the first 02 to 14, that does not take into  
account any, what would have been credited years prior to 2002, correct? Ans:  
Attorney Christiansen-No, it is only years of credited service. Some people got prior  
service and some people got credited service for that prior to 02.*

*Mr. Walton-So if you started in 1988? Ans: Chair Esposito-No, it only went back 5  
years.*

*Mr. Quinn-What is the best methodology to distribute the annual excess reserve from  
this point forward (2017)?*

*Mr. Quinn-The way the formula is now each year, the way it exists now the longer you are in, of years of credited service, the more of the pot you get each year in the excess reserve. Or should it be everyone that has a year of credited service that year, share it equally? Charlie is trying to determine the best way to get to it.*

*Mr. Quinn-asked for clarification that if the Board was to make a change and concurred that it should be brought to the membership; the Board would need a vote of confidence for the Board to make the change to equal shares? Ans: Attorney Christiansen-From a legal standpoint the Board can do a motion and ask me, (the attorney) to make a change to equal and send that to the City. We could do that and it would be fine but I have a feeling if it goes to the City, they will say "What do the members think about this?" and we have nothing to support what we are doing. So to change from the status quo, I think if I am a trustee, I am thinking I don't really want to make a suggestion to do this unless I feel like the folks I am representing and I am looking out for the fiduciary duties to the members of the pension plan, I will want to know what they think about this change before I suggest it to the City.*

**I. PUBLIC COMMENTS**

*There were no public comments.*

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

*Board received a thank you from former Board Secretary Calkins.*

**ADJOURNMENT**

*The meeting was adjourned at*

*Respectfully submitted,  
Virginia Smith, City Clerk*