



# 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, August 12, 2016

8:30 AM

Fire Station 25

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**Staff: Christopher Quinn, Finance Director**  
**Kay Spears, 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

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

### B. PLEDGE OF ALLEGIANCE

### C. ROLL CALL

*Records Coordinator Barbara Redline called the roll.*

*Board Member Robert Schroeder arrived at 9:10am.*

**Present:** 4 - Chair Esposito, Vice Chair Wilsey, Board Member Pickard, and Board Member Schroeder

**Excused:** 1 - Board Member Brazzano

**D. MINUTES**

- 1     [16-299](#)     MINUTES OF THE VOLUNTEER FIRE FIGHTER PENSION BOARD:  
                  A. May 13, 2016 Volunteer Fire Fighter Pension Board Meeting  
                  B. June 24, 2016 Special Volunteer Fire Fighter Pension Board Meeting

*Motion to approve the minutes by Mr. Wilsey, seconded by Mr. Pickard; motion carried unanimously.*

**The Minutes were Approved as presented.**

**E. FINANCIAL STATUS OF PLAN ACCOUNTS**

- 2     [16-316](#)     PRESENTATION ON BUDGET 2016-2017

*Chairman Esposito introduced guests from the Florida League of Cities: Paul Shimone, Associate Director of the Financial Services Dept., and Jeremy Langley Account Executive. Messrs. Shimone and Langley were available for questions as well as to conduct training for all Board Members immediately following this meeting.*

*Mr. Quinn handed out the financial status report (attached to these minutes) and gave an overview; it was a positive quarter. He went over each item in the packet:*

*>Three Invoices need board approval. Mr. Wilsey made a motion to accept all three invoices, Mr. Pickard seconded; motion carried unanimously.*

*-Information about the Florida Public Pension Trustees Association.*

*-Letter to the State sending them the newly adopted investment policy.*

*-Letter from the State accepting our annual report that the State requires; joint effort between us and the League.*

*-Simon Sam's retirement application. Mr. Esposito gave the background, Simon Sam was leaving temporarily and he put in an application for retirement because he qualified for the number of years that he had. We exercised for you to provide him with his eligibilities; he was interested in that because he was going to Tallahassee or something, but when he got that letter describing the various options that he had it also dawned on him at the same time that he was pretty young and no matter what he did he wasn't going to collect anything until he reached retirement age. So, he never concluded the retirement process. He decided he would rather have the LOA (leave of absence). Since then, before the LOA expired, he came back as a full time member.*

*Mr. Shimone - So he will have a break in service, right? Mr. Esposito - On the LOA. Mr. Shimone - Was that just a month or two? Mr. Esposito - It was more like three months.*

*>Mr. Quinn - He thinks because the board decided to retire him that we should "unretire" him. Mr. Wilsey made a motion to rescind the previous motion made approving Simon Sam's request for retirement (Mr. Esposito - Mr. Sam never*

*finalized the retirement process), seconded by Mr. Pickard; motion carried unanimously.*

*- List of retirees (attached to these minutes) that received the one time retiree distribution. Mr. Quinn - When he was talking to Foster & Foster, one of their analysts came back a couple of months ago and said that he realized what happened was when we made the payments; we made the one payment in December and one payment in January for the people that carried it over for two years. Mr. Esposito - Because of their requirements for limitation on the current plan. Mr. Quinn - When recalculating everything, because there was a little bit of a loss in the plan, in essence those people were slightly overpaid - \$22.62. He was talking to Foster & Foster and said that the amount of money it would actually cost to try to recoup from them would far exceed what we have actually given out - \$495.45. He asks that the board just make a motion to absorb the \$495.45 and not try to pursue it. Mr. Esposito - The overpayment for that particular period included not only the retirees, but also at that time active members. Mr. Quinn - Active members didn't actually get paid anything. Do you want to readjust that? Mr. Quinn - We are really just talking about the people that got overpaid; the active members are accurate. Mr. Shimone - There wasn't an adjustment number in the computer for them.*

*>Mr. Wilsey made a motion to just absorb it; Mr. Pickard seconded the motion; motion carried unanimously.*

*-2017 proposed budget. Mr. Quinn - This is something relatively new that we are required to do more formally over the last year or so. All of this basically gets distributed out to all the interested parties as well as posted on the Volunteer Firefighters Pension website. He basically used the same budget that we have for the current year because that is more than sufficient and just upped the travel and training a little bit because of what we talked about relating to getting some more of the board training next year. You are welcome to make any adjustments to it; if it meets with your approval just vote on it and that will be our budget for 2017. Mr. Esposito - About \$2,000? Mr. Quinn - About \$1,000; added to travel and training just to make sure we are covered there. Mr. Esposito - We could make adjustments there any time if we had to? Mr. Quinn - If you had to, yes.*

*>Mr. Wilsey made a motion to accept it, Mr. Pickard seconded; motion carried unanimously.*

*Mr. Quinn explained he will sign it as well as Mr. Esposito; City administration and membership will receive copies of it and it will be posted on the League's website and our website so it will be out there for everybody to see.*

## **F. LEGAL REVIEW**

### **3      [16-314](#)**

#### **DISCUSSION ON DETERMINATION LETTER FROM LEGAL ON VOLUNTEER SERVICE PRIOR TO 2002**

*Mr. Esposito spoke of qualified years for people who left the volunteer organization prior to 2002. What prompted that was, we had some ex-members who were looking to come back into the volunteers and in doing so it broached the question on whether or not the years they had as volunteers prior to 2002 would be considered credited years for this pension purpose. He asked Scott Christiansen, Esq., and proposed some wording that would follow what we interpret the requirements of the ordinance to be with respect to that. Scott reviewed what he wrote and reviewed the ordinance and came back and said we really didn't have to do anything else; that the ordinance in of itself is quite clear and he gave the paragraph number and so on which indicated*

*that there would be no credited years of service permitted unless those prior years were followed by a credited year of service in 2002 or 2003. If you did not have credit in either of those two years, there would be no credit for any prior years of service. So, there may still be some questions from ex-volunteers wanting to come back in, but until they know what their position is; that is where we stand at the moment.*

*Public comments:*

*Larry Ruggieri - He guesses he is the person in question; he was with the Volunteer Fire Dept. from 1974-1986. He was there before they even had a fire truck; they used to run out of the golf course maintenance shed with the old Ford. He understands the way the ordinance is written that he is not eligible because he didn't have the years after 2002 and 2003. He started as a firefighter, he went to lieutenant, he became the captain, the assistant chief, the chief. He was the secretary of the corporation, treasurer of the corporation, vice president of the corporation and he was the president of the corporation. He was in all the roles; not that he thinks he is more due than anybody else; he thinks he is equally due for people that got five years prior accredited service. He wants to come back as a volunteer; he served this community his whole career from 1974; retired in 2011. He got bored with retirement; he loves the fire service; he wants to come back and be treated just like everybody else to get his five years served. He understands how this ordinance is written, but it has changed and has had many forms since its inception.*

*Response:*

*Mr. Esposito - So, what you are agreeing to is that according to the way the ordinance is written now, he is not eligible. We will have to bring this up at a separate time, but your point then being is should the ordinance be changed or accommodated, is that what you are saying? Mr. Ruggieri - Yes, because he doesn't understand the reasoning behind having such a small window.*

*Mr. Esposito - We will get back to you in writing on that issue.*

*Mr. Wilsey - When this was written, he is assuming it reflects based on when the funding for the program started and that is why that was written like this? Mr.*

*Esposito - Yes, there was no program prior to 2002; there was no pension benefit whatsoever. In a couple of facets, things changed. In that when we first began the program it is was based on the defined benefit concept and it started off in 2002 at \$35 per accredited year. Mr. Shimone - This is probably why it is written this way, the first year of receipt of money from the State was 2002. Then it went to \$50, and then it went to \$65 but it was all within the framework of the ordinances that we had. The ordinances changed primarily when we determined that there were excess funds there that had to be distributed. They were in excess to that which satisfied the defined benefit plan; so that was the share plan. Prior to Ordinance 2015-02, the ordinance did not incorporate the share plan. These comments he believes were still in the old ordinance with respect to in order to get the prior years you had to have a creditable year in 2002 or 2003. So, now we have become more interesting to people who come back because of the share plan which is done on an annual basis. But nonetheless, it falls under the same umbrella as the defined benefit. While it is a different form of disbursement, it's governed by the same rules as the ordinances.*

*Mr. Ruggieri - My interest in the fire services was way before any share plan. Mr.*

*Esposito - Yes. It is kind of typical in this service, because he left Tuxedo after 20+ years in the fire service as a volunteer and two years after he left they formed a pension plan and he never benefited from that because they had the same kind of criteria and all you can get back anyway is five years.*

*No further questions.*

G. NEW BUSINESS

4 [16-315](#)

DISCUSSION ON 46TH ANNUAL PENSION CONFERENCE

*Mr. Esposito - The State pension board or committee requires that trustees have continuing education regarding the functions of trustees and understanding of how their money is invested and so on. The State runs, twice a year, a program. Applications for attending the November 2-4 training program are in the package (attached to these minutes).*

*First day is for new members; second and third days are for existing members. Anybody could benefit from all three days. All trustees have been given copies of the application and the suggestion is, if you can make it, you go to it, because it is part of the required continuing education for trustees. Mr. Quinn - The Florida Public Pension Trustees Association (FPPTA) which is a State association has a board membership and they also have many educational events. He went over the list of training sessions in the Orlando area (attached to these minutes). This is another option, the board is currently not a member and could be; the annual membership is \$600 a year. They have newsletters and other information related to board and pension trustee activities. This is just something else to consider in addition to the State training. This is similar information that you would get at the State training. The other benefit of this is that you meet other trustee members from other locations. His opinion is, by having a board membership in this it shows a level of seriousness, etc., in addition to the training the State puts on. Mr. Shimone - They are a private (nonprofit) organization and you have the annual board membership fee and a roughly \$400-\$500 fee to go to the conference. Mr. Esposito - Per person? Mr. Shimone - Yes, per person. The State conference is free; the other one in Tallahassee is like \$200 and they put on two a year. The State one is more concentrated on 175 and 185 versus this organization which also includes general employee plans and things that are not related to 175 and 185 although the bulk of it is still police and fire there are other types of seminars and things there. Their main thing, in his opinion, is to get you into their certified public pension trustee program which is a three-conference thing; beginner, intermediate, advanced. You go through these classes; you take a test to become certified but then you also have to attend one of their conferences every year going forward in order to continue to be a certified public pension trustee. So, it can sometimes turn into a very expensive training program. He is not discouraging you to go through that process; he is just letting you know what it is. The State one is basically free. Mr. Esposito - Is there any requirement anywhere to be certified? Mr. Shimone - No, there is no real requirement on what education is; it is not defined. A lot of the attorneys would take your pension board meetings; you are going through the investments and talking about them - that is investment education. You can take that position; you are being educated, like what we are doing today. He would never discourage anyone from getting more education, but in particular the State conference has the new trustee day on the first day of the conference which is really a great thing for everybody and it is more administrative in nature than the other two days. The other two days are investment people. If you are going for the first time (to the FPPTA), he would recommend not joining the program at first; just go to whichever ones on the agenda that interest you.*

*Mr. Esposito - If you go to the State one, they are not going to try to recruit to FPPTA? Mr. Shimone - No, they won't be there. The State is literally all speakers from the State. Foster & Foster is the actuary that comes and speaks at the State conference, because the State has a relationship through the chapter plan process with them. It is Orlando and Tallahassee, relatively close.*

*Mr. Esposito - We, as the board of trustees for Palm Coast, have employed the League, Scott Christiansen, Esq., and Foster & Foster, and he thinks it is incumbent upon the trustees to be able to understand what these three agencies do for us. We can't do your job. He would like to attend the State conference first and see what that gives us. Then whatever supplemental education we could get; maybe the League could be here two times a year and not only brief us on the status of our plan but understanding what changes may have to come. Mr. Shimone - We have added Jeremy in the last year to our account executives staff; one of the things he is charged with is trying to get to you at least twice a year. We are always available by phone. It may work out that Jeremy can come to every meeting; it depends on how our schedules work out. We do that with a lot of our boards, etc. We don't charge you extra to come.*

*Mr. Esposito - Any questions? Mr. Wilsey - What are the State requirements for continuing education for board members? Mr. Shimone - It doesn't define what that is; it says eight hours of investment education annually. If you read about mutual funds, etc., that is educating yourself. No one asks for proof.*

*Mr. Quinn - Part of what we are trying to do is formalizing activities of the board. We formalized the agendas for the meetings, our investment policy and formalizing the fact that the board is going to require, or at minimum heavily suggest, that new board members go to this new trustee training and existing board members at least do something every year whatever that something is. It would be worthwhile formalizing it. Mr. Shimone - That is where he was going to go - to a board administrative rule. That is something most of our boards will adopt something exactly like what you said. New trustees have one year to go to the State conference, current trustees must attend one every other year or one a year. If you put this into an administrative rule, then that does offer protection if someone was to ever question. Mr. Quinn - It could be a short policy document and have the board adopt it and get it in our records. We don't have to decide that today but something we could draft out, work with Scott Christiansen, Esq.*

## **H. OLD BUSINESS**

### **5      [16-317](#)      DISCUSSION ON SHARE PLAN DISTRIBUTION -CONTINUED FROM MAY 13, 2016 VOLUNTEER PENSION BOARD MEETING**

*Mr. Esposito - The only other issue is we have a tabled subject that we are not going to do today regarding disbursements under the share plan. We will have to call a special meeting on it in the near future and discuss it.*

## **I. PUBLIC COMMENTS**

*Public:*

*Larry Ruggieri - In the ordinance under definitions of volunteer firefighters it says, emergency responders and fire police are also volunteer firefighters. Does that imply that you have, other than firefighters and fire police in the pension plan, administrative people? Messrs. Esposito and Wilsey - No. Mr. Esposito - We have three categories: associates, firefighters and fire police. Associates are not considered active. Fire police are considered active; firefighters are considered active and they are the only people that get any benefit from this plan. There are no salaried administrative costs. You have to have five years of qualified service to vest and in that timeframe you have to also be monitored every year on the amount of services you provide and meet criteria that is established in the plan and bylaws. Mr. Ruggieri*

- That is with the training and attendance at meetings? Mr. Esposito - Correct, and the number of calls you make and so on.

Mr. Ruggieri - The other place where it says under maximum pension it says with respect to your credited services shall not exceed \$3,000. Mr. Esposito - Yes. Mr. Ruggieri - In Mr. Quinn's presentation to the City Council it was \$4,000; he didn't know if that was in conflict with the ordinance and does that \$3,000 include the stipend? Mr. Esposito - No, Stipend is different than the pension plan. To read that \$3,000 limitation you have to read it as \$3,000 per year, per year of service. Mr. Quinn - Basically, for any year of service, no one can receive in a year more than \$3,000 combined defined contribution payments.

Mr. Ruggieri - So, how does that work with the shared plan? Mr. Esposito - Same thing; when you combine defined benefit and share - it cannot exceed \$3,000; it is an IRS limitation and we comply with that. Mr. Esposito - He thinks the \$4,000 was at that time we were saying how much the share was worth under the shared plan. Mr. Quinn - There is no limit to how much you can add to your balance. There is a limit annually as to how much you take out. You can only take out \$3,000 per year of service. Mr. Ruggieri - So, if someone had ten years under the shared plan, they were given a check for \$30,000 because that was \$3,000 per year? Mr. Quinn - Maximum, but it is this combination of the shared plan and the regular pension benefit. Mr. Ruggieri - So, if they were already retired, they would get their \$65 a year. Mr. Quinn - Right, that is included in there too. Whatever their \$65 a year is, plus whatever they have in their share plan can't exceed commonality \$3,000 per year, but there is no limit as to how big the account can get.

Mr. Shimone - Your plan is complicated and nuanced and different than any other plan we administer. Mr. Ruggieri - They don't have career firefighters in there. Mr. Shimone - Correct. Mr. Ruggieri - That was stricken out of this new ordinance. Mr. Esposito - It was never in it. Mr. Ruggieri - It was. Mr. Esposito believes they were never overtly mentioned as part of the plan. Mr. Ruggieri - They were overtly excluded. Mr. Esposito - It could be.

Mr. Ruggieri - Is there any possibility of the ordinance being changed where he would get his five years past service? Mr. Esposito - He would have to talk to legal about that.

Mr. Esposito suggested to go into the one hour training scheduled now.

Mr. Wilsey motioned to adjourn, Mr. Schroeder seconded.

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

### **ADJOURNMENT**

The meeting was adjourned at 9:23 a.m.

Respectfully submitted,  
Barbara Redline