



# City of Palm Coast

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

## Meeting Minutes Volunteer Firefighters' Pension Board

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Wednesday, November 8, 2017

8:30 AM

City Hall-Community Wing

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### AMENDED AGENDA

**Staff: Helena Alves, 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 8:45 a.m.*

#### B. PLEDGE OF ALLEGIANCE

#### C. ROLL CALL

*City Clerk Virginia Smith called the roll.*

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

#### D. BOARD OF TRUSTEES: NAMES & ORGANIZATIONS OF OTHER PARTICPANTS

**E. OATH OF OFFICE - DAN BRAZZANO**

*City Clerk administered the oath to Board Member Brazzano.*

**F. MINUTES**

**1 [17-410](#) MEETING MINUTES OF THE AUGUST 18, 2017 VOLUNTEER  
FIREFIGHTERS' PENSION BOARD MEETING**

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

**Approved:** 5 - Chair Esposito, Vice Chair Wilsey, Board Member Brazzano, Board Member Schroeder, and Board Member Stevens

**G. FINANCIAL STATUS OF PLAN ACCOUNTS**

*Chair Esposito provided an overview to the changes. Change in Finance Director and Board Attorney.*

*Chair Esposito – So what we are saying is that things are going to go pretty much the same? You are not instituting any changes.*

*Ans: Helena Alves – Absolutely. No we don't really foresee any changes. We will continue to support the Volunteer Firefighter Pension Board.*

*Chair Esposito – And Ginger has been preparing a lot of this stuff all along anyways so between the two of you- You're going to act with the board as has been done in the past? With little, if any change.*

*Ans: Helena Alves – Absolutely. Yes, we're here.*

*Ms. Helena Alves, Finance Director provided a financial statement, which is attached to these minutes.*

*A motion to accept the financial report as given was made by Vice Chair Wilsey, and seconded by Board Member Stevens; motion carried unanimously.*

*A motion to approve the invoice for payment for Christiansen and Dehner was made by Vice Chair Wilsey, and seconded by Board Member Brazzano; motion carried unanimously.*

**H. LEGAL REVIEW**

*A motion to approve the actuarial expense report for the fiscal year 16-17 was made by Vice Chair Wilsey, and seconded by Board Member Stevens; motion carried unanimously.*

*Attorney Scott Christiansen reminded the Board that they must do a report each year to City Council providing them with a listing of all of the assets owned as of the end of the fiscal year along with some performance information. See Form Pension Letter #2.*

*Chair Esposito – That's nothing that you provide?*

*Ans: Attorney Scott Christiansen – No, I've already provided the form letter. They have*

*the form letter.*

*Ans: Ginger Norberg – We have them in our files.*

*Chair Esposito – That's not something that should be here now?*

*Ans: Attorney Scott Christiansen – No, it's just an administrative requirement.*

*Attorney Scott Christiansen – I did an ordinance to accomplish that and I guess that's pending at this point, is that where we are?*

*Ans: Helena Alves - The first reading was last night. Next business meeting we'll have the second reading.*

*Attorney Scott Christiansen – Now that it has passed on first reading, a copy of that ordinance along with a no impact letter has to go to the Division of Retirement.*

*Attorney Scott Christiansen – When that gets adopted could you send me a copy of that? Once it gets signed.*

**2**      [17-411](#)                      LEGAL REPRESENTATION

*Attorney Scott Christiansen provided an overview to his resignation and the recommended attorney and law firm. The 2018 meeting dates will work for the new firm and Attorney Pedro Herrera.*

**The Agenda Item was Received and Filed.**

**I.      NEW BUSINESS**

**3**      [17-413](#)                      APPROVAL OF SUMMARY PLAN DESCRIPTION

*Chair Esposito – There was no date specific on that right?*

*Ans: Attorney Scott Christiansen – There's a date up front, it says November 1 of 17.*

*Chair Esposito – That's the date on the document. We would delay because of correspondence. We put it out now and the next two weeks it goes out everywhere.*

*Ans: Attorney Scott Christiansen – It's every two years. I don't think it's to the day.*

**A motion to accept the Summary Plan Description as written was made by Vice Chair Wilsey, and seconded by Board Member Schroeder; motion carried unanimously.**

**Approved:** 5 - Chair Esposito, Vice Chair Wilsey, Board Member Brazzano, Board Member Schroeder, and Board Member Stevens

**4**      [17-414](#)                      2018 BOARD OF TRUSTEE QUARTERLY MEETING SCHEDULE

*Chair Esposito - The schedule for 2018 on our quarterly meetings and if we stuck with those dates you would be able to respond?*

*Ans: Pedro Herrera – Yes sir. Scott mentioned that. The goal here is to try and really make it as seamless as possible. We are fine with the dates. We're going to work around the dates for this meeting as well as we are not going to change the fees. Everything is going to hopefully remain the same from our standpoint.*

*Attorney Scott Christiansen: You'd be agreeing to an assignment of our contract to their firm and they have agreed that they will honor that contract for at least three years after the date that it is transitioned. So there won't be any changes in fees or anything.*

*Attorney Scott Christiansen: Do you want to approve the meeting dates Charles?*

*Ans: Chair Esposito - Yeah, with one exception, the comment on there is that you*

would attend two of those four and should we come to an agreement with Sugarman and Susskind maybe we would prefer presence for the first year to all four meetings. So that there is an understanding. Would that be a problem?

Ans: Pedro Herrera – No the expectation is that we were going to be at all four unless we were told otherwise. So that's not a problem. We agree with that.

**A motion to approve the 2018 schedule was made by Board Member Brazzano and seconded by Vice Chair Wilsey; motion carried unanimously.**

**Approved:** 5 - Chair Esposito, Vice Chair Wilsey, Board Member Brazzano, Board Member Schroeder, and Board Member Stevens

**J. OLD BUSINESS**

**5**      [17-415](#)      V. DEVITA CREDIT FOR 2016

Chair Esposito – Is that any problem to you?

Ans: Doug Lozen – No, were collecting the data now from all our plans for fiscal year 17 and I'm sure Ginger will update it and it'll be vested.

**6**      [17-416](#)      A. FORTE REVIEW ESTABLISHES VESTED STATUS

Chair Esposito – Do you have any problems with that?

Ans: Doug Lozen – No, we just added a year of what we call credited service. Is he still terminated- he's no longer here?

Chair Esposito – He's no longer here.

Ans: Doug Lozen – He is vested so he will be entitled to whatever portion of his share and...the future benefit, when he draws.

Chair Esposito – And you have no problem with that Scott?

Ans: Attorney Scott Christiansen – I'm not even sure what the issue is. If all you are doing is correcting credited service for somebody they ought to get what they can get, that makes sense to me.

**The Agenda Item was Received and Filed.**

**K. PUBLIC COMMENTS**

Chair Esposito called for Public Comments.

There were none.

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

Vice Chair Wilsey confirmed that Mr. Doug Lozen did not have anything for the Board. Chair Esposito requested Pedro Herrera provide the Board with an overview of himself and his firm.

Chair Esposito: What the difference is, if any, between volunteer organizations that you represent and public organizations that you represent? In other words, do you have experience with purely volunteer fire rescue?

Ans: Pedro Herrera – We do. We worked with and my partner, Bob Sugarman, who would've actually loved to be here but with the schedule we weren't able to coordinate both of us being here at the same time. He's actually attending a few other meetings. We worked with several volunteer plans. In terms of the difference from our prospective, by statute you guys technically are 175 plan. So although your

*membership requirements are different and your provisions and you guys were mentioning your service and vesting and things like that, from a statutory standpoint, from a governing standpoint, there's really no difference to be perfectly honest.*

*Chair Esposito: Going back to some of our history, we wound up in a situation where there was a significant difference between what was required of a volunteer corporation and what was required of a non-volunteer corporation.*

*Pedro Herrera - Oh from a tax standpoint?*

*Chair Esposito: Well that and whether we were operating properly under the proper charter number for the kind of organization that we were. Scott, we initially...*

*Attorney Scott Christiansen – It's not a 401a qualification. It's a different qualification as a volunteer plan. Of course all of the work has already been done. So at this point we're in maintenance, if nothing else.*

*Chair Esposito – That necessitated us changing the ordinance that we had with the City. And when we got to that point- and step in if you got anything to add to this. It turned out that there was very specific information that needed to be acquired that really nobody had yet. What we got was – this really didn't happen with a volunteer corporation before. So it was deemed in our best interest to go and get other advice that would settle it. We wound up with a corporation called Ice Miller. And Ice Miller then reviewed our documents and all that and said okay we need to make changes and so on which occurred. In doing so, there were questions raised about what would the IRS say about what we were planning to do. What drove this, I think really, was adding to our defined benefit program, the share plan. The share plan seemed to be the item that presented the problem. Am I tracking with you guys?*

*Attorney Scott Christiansen – This was before the shared plans were required*

*Chair Esposito: With Scott departing is there any kind of relationship between you and Ice Miller? That if you had any back door information that occurred and there were some questions about what we were doing at some point by the IRS, would you be able to interface with them?*

*Ans: Pedro Herrera – Absolutely, we've worked with Ice Miller in the past as well and we're very familiar with the firm. It's a great firm. A national firm. We have great relationships with them as well.*

*Board Member Brazzano: In the transition will you be getting our background information so that you have that at your fingertips? Including everything from Ice Miller as well.*

*Ans: Pedro Herrera – That's right. So anything that Scott and their office have in terms of files, client files, for you guys. We would be getting all that.*

*Board Member Brazzano: If we have to go back to that or we have to amend something, you'll have all of the background information?*

*Ans: Pedro Herrera - Absolutely, that's right.*

*Chair Esposito – Is that the intent? There's a phrase that you used in your letter which was, strategic alliance?*

*Ans: Attorney Scott Christiansen - And yes, that is the alliance that we're talking about.*

*Chair Esposito - In the past there has been some interplay between Scott and Doug, the actuary. Have you worked together before?*

*Ans: Pedro Herrera – Yes. As a firm we represent a little over 70 public pension plans here across the state. And we work with Doug and Foster and Foster generally. Probably on at least half of them so we work really well with Doug.*

*Ans: Doug Lozen – I have worked with Pedro for many years on many plans. He's very*

*sharp. He comes from a firm with a lot of sharp attorneys and he gets himself up to speed quickly. We've known each other for quite a while.*

*Chair Esposito - Do you have satellite offices anywhere?*

*Ans: Pedro Herrera – We have a satellite office but it doesn't really help us because it is in Broward County. It's just about 40 or 50 miles north of our main office. Kind of the nature of the beast is we travel. So we don't have a problem with it. I'll either fly or drive. What we try to do is a couple meetings together just like earlier Scott mentioned so that we'll, we can geographically coordinate our meeting schedule around so that we'll meet with several clients at the same time. It saves us time. It saves our clients time and money as well. It works out.*

*Chair Esposito – There is a reason for you to be up north. Is that something that you would tie in?*

*Ans: Pedro Herrera - I don't know if their meetings coordinate with your meetings. They meet on a monthly basis. They typically meet on the third Friday of the month. More often than not, that's likely, at least that's for me since we took over about a year ago now, and it's a stand-alone meeting. So I'll fly up the night before and I'll fly back. In terms of travel time, if I drive it's about 4 hours, maybe a little more than 4 hours. It's actually fairly easier for me to fly to Orlando or Jacksonville and use that as my stopping point and I'll drive from there. Time wise it may be about the same.*

*Board Member Brazzano – Are we looking at comparable rates?*

*Ans: Attorney Scott Christiansen – We're assigning our contract to them.*

*Ans: Pedro Herrera - If you guys agree to take us on or allow us to work with you guys, we would be the same fees. Everything would be the same presumably in terms of cost. Time wise basically about the same. We're trying to structure it the same way so that we can bundle our clients together to save all of our clients collectively travel costs and things like that. Our hourly rate will be the same. We're guaranteeing that I guess so we are not going to be changing that on you for at least three years.*

*Chair Esposito – Have you been through the documentation and our ordinances and so on? We have fiduciary responsibility. I believe with the Board and Scott and also Doug that we're acting financially responsible. Is there anything that you have seen or any questions that you might have that might question whether or not that we are fiduciary responsible?*

*Ans: Pedro Herrera – Honestly the only thing that I've looked at is your ordinance.*

*That's really the only thing that I can garner online. To be honest we haven't exchanged files yet.*

*Ans: Attorney Scott Christiansen – It wouldn't be appropriate for me to give him the files before they are the attorney. That's why maybe he isn't as up to speed as much as you like.*

*Chair Esposito – Through this strategic alliance, if anything like that came up, you would not come to us for clarification, you would go to..?*

*Ans: Pedro Herrera – Certainly I would speak with Scott first but we would obviously come back to you. I would come back to you for any kind of decisions certainly. Just in terms of updating status and let you know what's going on, we would all be involved.*

*Chair Esposito – Is there any method or process that you want to use? Maybe we have a special meeting among ourselves here to determine what we want to do in terms of the opportunities that we have here and then get back in a reasonable period of time so that Pedro and Scott know what our...*

*Ans: Vice Chair Wilsey – Is that necessary?*

*Ans: Attorney Scott Christiansen – If you don't want us here, we have to go to Bunnell at eleven o'clock. We're doing the same thing there. So if you all want us to get up and leave and you all can discuss it. If you are going to approve the transition there's a form attached to the letter that we sent that basically is a consent that needs to be signed by the Chairman and Secretary. And if you'll just sign that and send me a copy of it and I'll provide it to Pedro and then the transition will take effect on the first of the year. If that's what you decide to do.*

*Board Member Brazzano - If we feel comfortable enough we can make a motion to put this back on the agenda and then open it up for a motion, discussion, and a vote. We don't have to have a special meeting. We can do it right now.*

*Attorney Scott Christiansen – You can do it right now if you wanted to.*

*Board Member Brazzano – It's not on the agenda.*

*Attorney Scott Christiansen - Legal representation in on the agenda.*

*Board Member Brazzano – This conversation is not on the agenda. Was that part of your legal representation?*

*Ans: Attorney Scott Christiansen – That was the whole thing. That subject matter, legal representation, is what we're talking about right now. I was going to talk about it, Charlie said let's put it at the end.*

*Board Member Brazzano - It wasn't specific on here. It just said legal representation.*

*Attorney Scott Christiansen - Exactly.*

*Board Member Brazzano – If it's under that then we can do it right now.*

*Attorney Scott Christiansen - Exactly, you can do it right now if you make a motion.*

*A motion to approve assigning the contract to Sugarman and Susskind as Board Attorney was made by Board Member Brazzano and seconded by Board Member Stevens.*

*Roll call on the motion – Vice Chair Wilsey-Yay, Board Member Brazzano-Yay, Board Member Stevens-Yay, Board Member Schroeder-Yay, Chair Esposito-Nay*

*Chair Esposito – That no is with regard to defining it at this particular moment without further discussion*

*Board Member Brazzano - But that is not what the motion was.*

*Chair Esposito – Give me the motion again.*

*Board Member Brazzano – The motion was to approve Sugarman and Susskind. If you say no, my interpretation would be you are saying no to the firm. If you are saying no because you want to have another meeting then maybe you should recuse yourself.*

*Attorney Scott Christiansen - He can't, he has to vote one way or another. You have to vote. He can't recuse himself.*

*City Clerk Virginia Smith - Can he open it for further discussion?*

*Ans: Attorney Scott Christiansen – Well yeah, he can still have a discussion on the motion.*

*Pedro Herrera - I apologize, I am not trying to interrupt. I have no problem would you feel more comfortable if I step outside? I literally have no problem with that.*

*Ans: Chair Esposito – No not at all.*

*Attorney Scott Christiansen - Like I said, we can both leave.*

*Chair Esposito - No, not necessary.*

*Chair Esposito – It's just my feeling in going through these documents again and discussing what we discussed here that it gives another venue to question one another, any questions that would come up and in the next week or so fill out whatever documents that we have to fill out that says yes or says no. My inclination is not to say no to you. It was just to buy more time so that we can decide that any way.*

*Vice Chair Wilsey - If you want to have a discussion, let's have a discussion. It's hard*

to get everybody together for a special meeting. That's the thing. You have to have a secretary, etc. We're here. Its recording. I don't know what the discussion is, we talked a lot about it. But, please address it with us.

Board Member Stevens - I don't think we would be steered wrong, in the wrong direction after what the previous firm has done for the Board and everything like that. I think he's making the recommendation and I think we should go for it. Why put something off? Let's go ahead and just move forward. We need to move forward. Not backwards.

Board Member Brazzano – We understand the transition. We understand the rate. We understand what this company does. Not sure what else we are going to discuss in a special meeting.

Board Member Stevens - Travel times the same distance. You know what I'm saying. From the Sarasota to Miami area. That's relevant. It's what they do, what they perform, and what they need to do for our Board.

Board Member Brazzano - If you have something on your mind Charlie that is a discussion other than what we heard then let's talk about it.

Chair Esposito – Sugarman and Susskind has not read all of the documentation that's available to him.

Vice Chair Wilsey - They can't.

Chair Esposito - They can. We can make a request before we vote on it that all the documentation be turned over for review. What I don't want to happen is that we make this deal solid and confirm it. Then find out that there is a misunderstanding somewhere between what we are talking about and what they actually see in the ordinances and whatever other things that we have. And I just want to have assurance that at some point in time it's not going to come back and say, well you know this document isn't what we thought it was it's something different.

Vice Chair Wilsey - At any point we can change our legal counsel.

Chair Esposito - It's kind of late.

Vice Chair Wilsey - No it's not late. It's your choice. It's the Board's choice. So if you feel that there is some impropriety or misunderstanding then you can address it with them and/or make a change. We're not obligated to a firm.

Board Member Brazzano- I would imagine if they find something that they are uncomfortable with they wouldn't want to continue to represent us. And we have no obligation, we can terminate when we need to terminate, if we wanted.

Vice Chair Wilsey - There is a number of people that they already represent. I think Scott was very thorough in all these years of putting this thing together. I'm not sure there's anything in there that Pedro's going to find that's going to be hurting us or we forgot.

Board Member Schroeder - Well Charlie, from a professional standpoint the transfer of files - there is a confidentiality rules or inspector rules. Just as I can't disclose to other people, a client's file. Scott's under the very same rules or quite similar rules. Ethics and already Mr. Herrera has indicated that he has read our ordinance and has done some homework with respect to the Board, at least as far as the public files are concerned. That's really where it's at. We are a public Board. This is all up front and basically online. It doesn't take a genius to find it. As far as I am concerned, he has answered the questions of the Board. I don't see where, like I said I think we beat it to death. I don't see where we are going to go with getting another meeting together. And the question in the files and what we are doing here is we are approving the transfer agreement and I would imagine that if there is something there in those files glaring or we find out that something is glaring then that's another story for another meeting. As far as I'm concerned my vote is where it was. I don't see where we are going to get anywhere by putting a delay on the matter.

Chair Esposito - Any further discussion on this? Let's take a vote? Again.



*A motion to approve assigning the contract to Sugarman and Susskind as Board Attorney was made by Board Member Brazzano and seconded by Board Member Stevens.*

*Roll call on the motion 2nd – Vice Chair Wilsey-Yay, Board Member Brazzano-Yay, Board Member Stevens-Yay, Board Member Schroeder-Yay, Chair Esposito-Yay  
Motion passed unanimously.*

## **ADJOURNMENT**

*This meeting was adjourned at 9:54 AM.*

*Respectfully submitted,  
Kay Spears, Recording Secretary*

[17-431](#)

ATTACHMENTS TO MINUTES