



# City of Deltona

2345 Providence Blvd.  
Deltona, FL 32725

## Minutes

### Firefighters' Pension Plan Board of Trustees

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**Tuesday, February 9, 2016**

**5:00 PM**

**2nd Floor Conference Room**

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#### 1. CALL TO ORDER:

The Firefighters' Pension Board of Trustees meeting for February 9, 2016 was called to order at 5:04 p.m.

#### 2. ROLL CALL

**Present:** 4 - Chair James Koczan  
Member Janet Deyette  
Member Gene Gizzi  
Member John Fleemin III

**Excused:** 1 - Secretary Kurt Vroman

Also present were City Manager Jane Shang, Lisa Spriggs, Plan Administrator and Susan Helberg, Finance Department.

Chairman Koczan stated there is some additional business that needs to be tended to prior to continuing the meeting so the Board will take a short recess beginning at 5:05 p.m.

The meeting reconvened at 5:10 p.m.

#### 3. APPROVAL OF MINUTES & AGENDA:

##### A. Adoption of January 19, 2016 Minutes

**Motion by Member Gizzi, seconded by Member Fleemin to approve the After Action Agenda with the motions and votes made by the Board at the January 19, 2016 meeting and to table the minutes from that meeting until the next meeting so everyone will have an opportunity to review the minutes.**

**For:** 4 - Chair Koczan, Member Deyette, Member Gizzi and Member Fleemin III

#### 4. PRESENTATIONS/AWARDS/REPORTS:

##### A. Consent Approval of Expenditures - Lisa Spriggs

Ms. Spriggs stated there is one (1) invoice for approval from ASB Capital Management in the amount of \$3,735.64. Chairman Koczan asked if there were any questions and there were none.

**Motion by Member Fleemin, seconded by Member Deyette to approve payment to ASB Capital Management in the amount of \$3,735.64 as submitted.**

**For: 4 - Chair Koczan, Member Deyette, Member Gizzi and Member Fleemin III**

Chairman Koczan asked Ms. Spriggs who would co-sign in Mr. Vroman's absence and Ms. Spriggs answered she can sign it. She stated she does have a signature authorization resolution (card) for Salem Trust that needs the Board Members' signatures so it can be updated in Salem's system.

Mr. Gizzi asked to again look at the ASB fee statement that was just approved and he stated the number did not work out for him. He stated he remembered the fee was 1.25% of the first \$5 million and asked if the plan was paying 1.25% of the \$1,195,406 and if so how does that come out to \$3,735; is it 1.25% annually divided by four (4). Ms. Spriggs stated it is based on the \$1,195,000 which is the value before dividend at that time and is divided by four (4). Mr. Gizzi stated that was okay.

##### B. Other Submissions - Lisa Spriggs

Ms. Spriggs stated she had emailed the follow-up documentation that the Board had requested at the last meeting; the Board had approved the distributions but had wanted to see the backup and going forward she will provide the election form as this form does not have any Social Security numbers or exempt information and a copy of the actuarial. She stated she will follow-up with the actuary on a question the Board had asked prior to the meeting regarding selecting of the Social Security option as two (2) members have selected that option. She stated the question was if you select the Social Security option the actual benefit payment will drop once the member is eligible to collect Social Security and how will the COLA apply to that; the actuarial has a number so does that number need to be increased for any COLA that was granted or is that the number on that date and how that will work. She went over as an example Paul Cardini's backup documentation that was included in the packet that showed he had selected this option. She stated the actuary is truing up the amount so that the member collects a higher benefit payment amount in the beginning and then when the member is eligible for Social Security the amount of the benefit payment will drop. She stated actuarially that

should be the same amount over time however, there is a COLA that will need to be addressed. Chairman Koczan stated he may be over-simplifying it but for example if the Social Security check amount is \$1,200 then the benefit check amount would be decreased by that amount. Ms. Spriggs stated she will follow-up but she believes it is done on a known Social Security amount at a certain point in time. Mr. Gizzi asked to clarify that the offset would be a given amount and Ms. Spriggs answered it would not be a true offset in that the ordinance does not say that the calculation will be offset by Social Security as ours is independent. Ms. Spriggs reminded the Board with the Social Security option it is life time only, there is no beneficiary and this is noted on the selection form. Chairman Koczan asked if there were any other questions regarding the distribution packet and there were none.

Chairman Koczan stated we have the Lump Sum Distribution Election form for Russell Rafferty and he asked Ms. Spriggs to go over the form. Ms. Spriggs stated there was a typo on the form so the taxable amount should be the \$27,036.50 and she will be having Chairman Koczan sign a Salem Trust distribution form which does have the correct amount on it. She stated this is a non-vested terminated member who is electing to roll his entire contribution into his deferred comp account which will be distributed by Salem

**Motion by Member Gizzi, seconded by Member Deyette to approve the Lump Sum Distribution for Russell Rafferty in the amount of \$27,036.50.**

**For: 4 - Chair Koczan, Member Deyette, Member Gizzi and Member Fleemin III**

**5. PUBLIC FORUM:**

**6. OLD BUSINESS:**

**A. Presentation of FY15 Financial Statement - Lisa Spriggs**

Ms. Spriggs stated the Board had tabled this item at the last meeting which was good as there was information that was still missing for January so the statement is now complete. She stated the Financial Statement FY 2015 is actually utilized to develop the full Annual Report so we will go over the statement first but, it will be repetitive when we go over the Annual Report for the State. She went over each section of the statement which included the Statement of Assets showing the plan's cash and investments beginning with \$20,694,626.84 and ending with \$21,171,153.62, Liabilities in the amount of \$163,693.98 showing the Net Assets at \$21,007,459.64. Next she went over the Statement of Revenues showing the total revenue at \$1,803,186.77 pointing out that the City made an upfront contribution of \$1,072,000 instead of per payroll so the money was in the plan the entire year. Chairman Koczan asked if Ms. Spriggs knew the actual impact that had and Ms. Spriggs answered it was really reflected in the Actuarial Valuation as an offset to the investment loss for this year. Ms. Spriggs stated the City also overfunded by contributing 28% instead of the required 20%. Mr. Gizzi suggested this time paying the contribution up front did not help and that making the payments in this particular year in 12 or four (4) increments would have helped level out the losses

adding however, over the long term making the one (1) payment would definitely help. Ms. Spriggs stated the market went down at the end of the year so it probably would have been the same. She went over the Expenditures that totaled \$1,117,408.77 and the Schedule of Contributions pointing out that the City over-funded by about \$300,000. She stated there was one (1) termination payout. Next the pension payments by month were listed and she used Mark Clayton as an example of one (1) of the people that was talked about at the previous meeting regarding receiving late payments. She explained that Mr. Clayton stated he was retiring, put his paperwork in but, had not finalized it; then he left and was working somewhere else. She stated the paperwork was sent to Mr. Clayton where it sat for a while so it was delayed until Ms. Spriggs was able to get in contact with Mr. Clayton; she noted as a result his retro went back from July to November. Mr. Fleemin asked if there was any education needed or anything the plan can do to avoid that happening again in the future or was this just an anomaly. Ms. Spriggs answered this one (1) was weird and she would need to go back through her emails to know why this happened but, she thinks initially Mr. Clayton did not realize he could take an early retirement. Ms. Helberg stated Mr. Clayton had given a two (2) week notice and there had not been enough time to process anything. Ms. Spriggs stated that Mr. Cardini is another example however; it was a little easier because he was in DROP. She stated she did not know Mr. Cardini was leaving until a week before so, to get his first pension check right after retiring was not going to happen. Ms. Helberg stated FRS asks for a couple of months' notice to be able to process everything. Mr. Fleemin stated a couple of months is not acceptable and maybe we need to streamline the process because we already have all the records in order. Mr. Gizzi stated you cannot streamline a process until you know the decisions that are made by the member. Ms. Spriggs stated if the member has had a preliminary done in the last year the actuary would be just updating it for the final payroll numbers which is pretty quick however; if you are starting from scratch it is different. She stated she just received paperwork requesting a preliminary from Daniel Bowen who is retiring in May so he is doing it right; he will get the preliminary, he will look at it, he will be able to make a decision off of the preliminary and we will be able to just finalize his payroll. She added the numbers still may have to be tweaked but, it will not be much. Mr. Fleemin suggested giving the members notice if they are planning to retire that they need to ask for the preliminary a couple of months in advance despite having another work opportunity. Ms. Spriggs stated at a previous meeting the Board had discussed some time frames for expectation and if the member does not meet the time frame then they will not expect it to be that quick. She added unfortunately you are only seeing a couple of forms in the process and there are a lot of forms they have to fill out. She stated also Salem has a deadline for processing the paperwork on their end for example, if you do not get the paperwork to Salem by close of business on February 10th, it will not be in effect for the March 1st payment. Mr. Gizzi suggested there is member responsibility that triggers the whole process and if the member is not accessible then the plan cannot be proactive and the most effective tool is education. Ms. Helberg reminded the Board also there are two (2) options to choose from, you can take the guaranteed 6% or what the plan is earning where you do not know what that amount is. Ms. Spriggs went over the DROP Accounts, Accounts Payable FY 14/15 and FY 13/14, the F/Y 14/15 Pension Fund Expenses that are used for the Annual Report and are true quarterly expenses, the F/Y 14/15 Administrative

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Expenses, the fund break down by month and then the ASB Capital Management Statements F/Y 2015 as they are separate from Salem.

## 7. NEW BUSINESS:

### A. Presentation of Annual State Report - Lisa Spriggs

Ms. Spriggs went over the Annual State Report page by page reminding the Board that a lot of this information is the same as the information they just went over in the FY 15 Financial Statement. She began by pointing to the cover page stating if the Board approves the report tonight we can have Chairman Koczan sign however, we will have to get Mr. Vroman's signature later. She added there is time as the report is not due until March. She noted on Page 2, Question 7 asked the date the Defined Contribution Plan was established and she noted the Ordinance modification was in the process of adoption and she is sure we will need to adopt it and file that with the State before the State makes this year's distribution which will be in August or September. She reminded the Board that they had approved Mr. Christiansen's version of the ordinance with the Share Plan at the last meeting. She stated Item Number 9 asked if the Plan operated under an Administrative Expense Budget for the fiscal year and she answered "not applicable" because the Statute was not adopted until mid to late 2015 so the Board did not adopt a budget for 2015, they adopted a budget for 2016. She stated on Page 7, Item Number 1 the Total Calendar Year 2015 Fire Department Payroll amount \$7,248,607.65 was left off and that she had sent an updated version that had included the amount; it was determined that Page 7 could be switched out to complete the report by Ms. Day before forwarding the final report to the State. She stated Page 11 is not applicable to this plan because we are not an insured plan. She stated Page 12 begins the detailed firefighters' pension data. Mr. Gizzi stated he was concerned that the report had the partial Social Security Numbers and Birth dates and Ms. Spriggs stated the report is a template that is provided by the State. Ms. Day reminded the Board this issue had been discussed in years past and that these copies were for use during the presentation only and were to be collected by Ms. Day from the members for shredding after the meeting. Ms. Spriggs stated on Page 13 there are still some members that have terminated and still have contributions in the plan exceeding the five (5) years allowed. She suggested she would get with Mr. Christiansen and she would make it a priority to try to cash them out. Chairman Koczan stated since this report is held as part of the minutes of the meeting what happens if someone asks for a Public Records Request. Ms. Day answered that all exempt information such as Social Security Numbers, Dates of Birth, addresses, phone numbers, spouse's and children's information, etc. would be redacted by the City Clerk's Office before the information requested is given out. Ms. Spriggs went over the Administrative Expenses and she stated the rest of the report was the Salem Account Statement that listed all of the plan's holdings. She stated we will need approval by the Board and for the Chairman and Secretary to sign. Chairman Koczan asked for a motion.

**Motion by Member Deyette, seconded by Member Gizzi to approve the  
2015 Annual State Report with Page 7 changed out and replaced with the**

**completed page pending Mr. Vroman's signature.**

**For:** 4 - Chair Koczan, Member Deyette, Member Gizzi and Member  
Fleemin III

## **8. STAFF COMMENTS:**

### **A. Plan Administration Report - Lisa Spriggs**

Ms. Spriggs stated it had been a while since the Board Members had signed a signature card (signature authorization resolution) for Salem Trust and in the past each Board Member had signed so, there would be flexibility in getting signatures to execute documents. She stated the document authorizes any two of the Board Members to jointly take action as they deem appropriate regarding the on-going administration of the Plan with Salem Trust. She passed the document around and asked each of the Members present to sign. She stated Ms. Day can have Mr. Vroman sign and then scan the document to her to file with Salem Trust. Chairman Koczan asked if there were any questions and there were none. He stated a motion is in order to approve the signature authorization resolution pending Mr. Vroman's signature.

**Motion by Member Gizzi, seconded by Member Fleemin to approve the  
signature authorization resolution pending Mr. Vroman's signature.**

**For:** 4 - Chair Koczan, Member Deyette, Member Gizzi and Member  
Fleemin III

## **9. BOARD/COMMITTEE MEMBERS COMMENTS:**

Ms. Deyette stated she hoped everyone was having a Happy New Year and stated she had belatedly dropped off some Christmas gifts at the Fire stations.

Mr. Fleemin thanked everyone for all their hard work.

Mr. Gizzi thanked everyone also.

Chairman Koczan thanked City Manager Shang for attending and participating with the Firefighters' Pension Board Meetings. He also thanked staff (Susan Helberg and Janet Day) for their hard work and support.

The Board discussed when the next meeting would take place and it was determined the next meeting would be the Quarterly Meeting and would be held on Tuesday, April 19, 2016 at 3:00 p.m.

## **10. ADJOURNMENT:**

There being no further business, Chairman Koczan asked for a motion to adjourn the meeting at 6:30 p.m.

**Motion by Member Fleemin, seconded by Member Deyette to adjourn the meeting at 6:30 p.m.**

**For:** 4 - Chair Koczan, Member Deyette, Member Gizzi and Member Fleemin III

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Jim Koczan, Chairman

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Janet Day, Board Liaison