



Minutes
Firefighters' Pension Plan Board of
Trustees

Monday, July 27, 2015

5:00 PM

1st Floor Room 150A South Wing

Quarterly Meeting

1. CALL TO ORDER:

Meeting was called to order at 4:33 P.M.

2. ROLL CALL

Present: 5 - James Koczan
Member Janet Deyette
Member Gene Gizzi
Secretary Kurt Vroman
Member John Fleemin III

Also present: John Hamlin, DANA Investment Advisors; Tim Nash, The Bogdahn Group; Mark Rhein and Lynn Skinner, Salem Trust Company; Christine Gallagher, Plan Member and Susan Helberg, Finance Department.

3. APPROVAL OF MINUTES & AGENDA:

A. Adoption of April 21, 2015 Minutes

Motion by Member Gizzi, seconded by Member Fleemin to adopt the minutes from April 21, 2015 as presented.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

B. Adoption of June 15, 2015 Initial Hearing Minutes

Motion by Member Vroman, seconded by Member Deyette to adopt the minutes from June 15, 2015 Initial Hearing as presented.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

C. Additions or Deletions to the Agenda

Ms. Spriggs stated there will be submissions of Travel Reimbursement forms for payment by Mr. Vroman and Chairman Koczan that she would like to add to the agenda under Item 7-ii. She noted for the record also that Dave West from The Bogdahn Group will not be at the meeting but Tim Nash will be presenting for Bogdahn.

Motion by Member Deyette, seconded by Member Vroman to add the requested changes to the agenda.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

4. PRESENTATIONS/AWARDS/REPORTS:

A. DANA Investment Advisors - John Hamlin

Mr. Hamlin introduced himself and gave an overview of the DANA Quarterly Investment Report reporting that the portfolio for Year to Date was up a little over 12%. He spoke about DANA's investment philosophy to not take sector bets and to remain sector neutral which leads to superior stock selection and avoids volatility as it is hard to time the market. He stated another part of the philosophy is DANA buys stocks that are fairly valued or cheap compared to the rest of the market focusing on quality. He pointed out that growth is slow but one good thing about slow growth is you don't have to worry about the FED increasing the interest rates. He stated the markets rally on weak jobs numbers and with the weak numbers there is no pressure on the FED to raise rates. He stated if the economy continues to do well or it improves some of the fundamentals like that will take over. He stated the market has come a long way since 2009 and some think the market is overdue for a correction but he thinks the market is just getting back to normal pointing out the consumer sentiment index is back to the normal line. He added another piece of evidence is that household net worth was hit hard in 2007 but is now back to trend and is not at a level where he is afraid of a bubble yet. He spoke about oil being important and how it impacts the energy sector. He thinks oil will stay low, however, some businesses will benefit. He spoke about low interest rates and how they effect stocks and bonds and leads to a higher valuation of stocks. He also touched on Treasury Yields and inflation. He closed by talking about forward earnings for the S&P. He asked if there were any questions.

Mr. Vroman asked on Page 7 under Strategy Profile if Hospitality and Travel were included in the holdings and Mr. Hamlin replied "yes" it falls under Consumer Discretionary Holdings which is one of the better sectors.

Mr. Fleemin asked on Page 6 if the bullet point about the Affordable Care Act had a significant impact on confidence on income and Mr. Hamlin replied there are two (2) sides; on the drug company side there will be more patients so they will sell more drugs with the big winners being the insurance companies and on the other side there were some mergers in the insurance industry.

Mr. Hamlin stated there was one more item which he handed out regarding an Adendum

to DANA's fee schedule. He stated DANA no longer has a fee schedule of 65 basis points for the first \$5 million and 55 basis points thereafter that the pension plan currently has. He stated the standard fee now is 65 basis points for the first \$10 million and 55 basis points thereafter. He stated the addendum shows the change which is an increase in the fee and he pointed out that the fund is close to that \$5 million threshold. He asked the Board to consider the change and asked if there was any discussion. Mr. Vroman asked to clarify that our fee is 65 basis points for the first \$5 million and everyone else is at 65 basis points for the first \$10 million and Mr. Hamlin replied "yes". Mr. Hamlin stated he has a sheet that shows the dollar amount increase up to \$7 million and he went over the numbers. Mr. Gizzi asked to clarify that this is an amendment to the original contract and the Board's expectation was that the fee would go to 55 basis points after \$5 million and he asked if it meant the amounts over \$5 million. Mr. Hamlin replied it would be on the amount over \$5 million. Mr. Nash stated the increase is reasonable and a little below market fee for the size of this plan if we were looking at other places. He stated Bogdahn believes the increase is in line and is a modest increase, has done a very thorough due diligence, likes DANA's process and he recommends the plan stay with DANA. Mr. Christiansen stated the original contract was done in 2011 with a guarantee that the fee would not be increased for three (3) years and DANA has fulfilled their promise.

Mr. Vroman asked what would happen if the increase is not adopted by the Board and Mr. Hamlin replied DANA would have to re-evaluate their options. Mr. Christiansen stated DANA has increased fees for other clients and cannot offer a better deal for one (1) client over another to stay in line with the most favored nation language. Mr. Hamlin explained the increases have to do with DANA's increased costs in technology and people. Mr. Gizzi summarized that would be a \$5,000 difference on those dollars between \$5 million and \$10 million. Mr. Hamlin explained once the fund goes over \$10 million the fee would be 55 basis points thereafter. Mr. Nash spoke about other investors and their fees stating he knows of no investors with funds less than \$15 million that have fees less than 65 basis points. Mr. Vroman asked if DANA would give another guarantee on locking in this fee and Mr. Hamlin replied he would ask. He commented that at the conference he just attended they spoke about looking at the 30 year long range and not the short term and sell and DANA has done well for the plan.

Motion by Member Gizzi, seconded by Member Deyette to approve the Addendum with the fee schedule change.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

B. Bogdahn Group - Dave West, Investment Manager

Mr. Nash passed out the Investment Performance Review for the 2nd Quarter of 2015 and went over the fiscal year to date pointing out the plan is outperforming; with the monthly volatility of the various asset classes being as large as he has seen in short periods of time in quite a while for the fund to get to these kinds of numbers it has been a wild ride. He stated the managers earned their money even with the slight increase. He stated we have a very diversified fund and gave an overview of the portfolio reporting

a beginning balance of \$20,312,949 and an ending balance of \$22,076,384. He stated he does not recommend any change in asset allocation at this time. He reported the fiscal year rate of return for three (3) quarters is at 5.31%. He stated the managers outperformed the index protecting the fund on the downside and pointed out this fund ranked in the top 26th percentile relative to other managers. He reported overall the managers did a good job and for the year the report is good.

Mr. Vroman asked if ASB Real Estate Fund had completed its capital call for our fund and it was determined that \$1 million had been committed and the fund is currently at \$1.1 million which puts the fund at about 5% of the overall portfolio. Mr. Nash stated the plan's move to commit \$1 million to real estate was a good move with ASB having a 5.2% return for the quarter, for the nine (9) months in the fiscal year 12.05% and for the rolling 12 months the return was 16.36%.

Mr. Nash went over the compliance check list which has a mixture of yeses and no's stating the fund has been exceeding the three (3) and five (5) year. He stated the no's relate to whether the fund has beaten the benchmark and is the fund in the top 40th percentile among pension plans explaining for the three (3) year the fund has outperformed the index earning 10.6% and the policy was 10.49% putting the fund at the 55th percentile. He stated for five (5) years the fund has earned 10.51% and the index has earned 10.94% so the fund ranked in the 69th percentile. He stated the good news is we like to look at trends and so when you look at the one (1) year the fund is in the top 36th percentile so the recent trends are improving. He stated what kept the fund behind was the equity section; the fund is in compliance but did not meet the benchmark for the three (3) year at 18.2% at the 37th percentile and five (5) year at 15.5% at the 60th percentile and on average the index was 17.54%. He stated the international fund is ahead of the benchmark and the fund is in the top quartile. He reported overall the managers did a good job and for the fiscal year the report is good. He concluded his report and asked if there were any questions and there were none.

C. Salem Trust Company - Mark Rhein and Lynn Skinner

Lynn Skinner introduced herself and stated Salem had sent out correspondence about the SSA audit for the year beginning June 2013 and ending July 2014 and Salem wanted to make sure everyone had received the correspondence. She stated one other item she has is the document that lets Salem know who should receive statements which is one of the changes they have instituted. She went over the statement layout and who is set-up to receive the statements and whether they are monthly, quarterly or annual. She stated if anyone wants to be added they can get online and if there is anyone on the list that should not be on the list, let her know. Mr. Fleemin asked to be added to the list. Mr. Gizzi asked about security and Ms. Skinner explained you would receive an email telling you there is a statement and you would then go to the Salem website and you would have a password and it would be secure. Ms. Skinner stated you can do this whenever you decide to. Chairman Koczan reminded everyone the emails are public record.

Ms. Skinner introduced Mr. Mark Rhein the Operating Officer for Salem. Mr. Rhein stated the SSA16 audit report is a test of control procedures over control processes and he gave an update on where Salem is in the process. He explained what happened during the conversion was there were 5,000 failed trades, none of them being from this plan's investment managers which got Salem behind and as you know that put the June statements out in mid-October. He stated Salem provided all their clients with a 10% discount for two (2) quarters because it was the right thing to do. He stated January 2014 Salem got caught up and is now up to speed; benefit payments always occurred and no retirees were affected. He stated control procedures were put in place where they balance every day and some personnel changes were made. He stated Salem was put into action including himself to make sure they have the proper narratives, documentation and controls that need to be in place for this next review period which is the period of time when Salem went through the conversion from June 1, 2013 to July 1, 2014. He asked the Board to keep in mind that the SSA16 covers the period of time that Salem went through the conversion. He stated the new review period covers July 1, 2014 through June 30, 2015. He stated the auditors came June 15th and are testing and will be doing the field audit through to the end of the month. He stated Salem has already submitted 2,300 documents so far but everything is going according to plan and the weekly comments by the auditors have been encouraging. He stated he expects that the SSA16 report will be issued in September or early October. He stated the auditing firm is the same and the auditor is the same one that gave the adverse opinion; Salem did not shoot for a different auditor and so far he feels very good about the process and the comments they are hearing already. He stated from a purely financial standpoint there was no impact on the client and about 90% of their clients looked at it and decided it was a none event; 10% did some additional testing. He stated the auditors are testing and Salem is testing with no impact to the client, the statements are not wrong, nothing was wrong with the trades, the assets or the asset set-up. He stated the only exception was the stain on Salem's reputation.

Chairman Koczan asked about security and Mr. Rhein responded there has never been a problem with hacking and anything that has happened has been self-inflicted like the conversion and not having the right people to handle the conversion. He stated they do annual tests on the internal controls on the technical systems and processes looking for external threats, social networking and any attempt to come into their system.

Mr. Gizzi asked where our plan stands with regards to additional testing and checking our statements and Mr. Rhein replied no additional testing was deemed to be required, the financial statements did not have to be re-characterized so you were consistent with every other client. Mr. Rhein stated also Salem went through an audit with no problems. Ms. Spriggs stated the City's auditors also looked at this in their process and everything balanced. Mr. Christiansen stated we have informed Salem we will be looking at next year's audit very carefully. Mr. Rhein stated Salem takes ownership of this because they opted to do the conversion and the same with the consequences to make sure this next SSA16 report is righted correctly so the concern that may still be out there is wiped away.

Mr. Vroman stated that coming clean is the biggest thing and that is all that matters to him. Chairman Koczan stated that Bogdahn is the check and balance for the plan and if there was a problem the Board would have known about it. Mr. Nash stated the team at Bogdahn has had conversations with Mr. Rhein and appreciated the timely release of information.

Mr. Rhein stated he expects to have a favorable report out in September or early October and if anyone wants a full audit report that will be provided upon request.

5. PUBLIC FORUM:

None.

6. OLD BUSINESS:

A. Discussion of Operating Rules and Procedures

Mr. Christiansen stated this item is one the Board has put off for a while and suggested the Board may want to put it off a little longer. He stated there were some changes made since the last time it was updated; he can identify the changes and the Board can talk about each one of the paragraphs as we go through them or the Board could finish the other items on the agenda and use the time left to go over the item.

It was the consensus of the Board to skip over Item 6A until a later time permitting or bring back to another meeting.

7. NEW BUSINESS:

A. Expenditure Approval:

i. Consent Approval of Expenditures

Ms. Spriggs presented a list of expenditures in the amount of \$21,217.46 for approval for payment that includes an automatic deduction for Salem of \$1,375.00. She stated the Board has a copy of the list for review. Chairman Koczan asked if there were any questions.

Mr. Fleemin asked how the benefit calculations for Helberg, Seivert and Littell differ from the ones that are buying back military time. Mr. Christiansen stated that is entirely different; one is a buyback and the plan specifically provides that if you want to buy that time back the actuary has to do the calculations, you have to pay the actuary's fee and it is at no cost to the plan. He stated the item you are looking at today is when somebody retires and that is an expense that the Board pays as the pension fund is in the business of providing retirement benefits. Mr. Fleemin asked about divorce (\$300.00) and Mr. Christiansen replied divorce should be different and the individual should pay for that.

He stated the actuary would bill the Board and that money may be being collected by Ms. Day or Ms. Spriggs or whoever to reimburse the plan once a check is received from the individual member. Ms. Spriggs stated she did not bill for that but she will, however, she explained it was in the form of a preliminary calculation and anybody can ask for a calculation at any point. She stated the person did it as an early retirement calculation and everyone gets two (2) calculations. After further discussion it was determined that it was just a calculation for early retirement and Mr. Littell would not have to pay the \$300.00. Mr. Fleemin asked if Ms. Spriggs keeps track of the number of times a member requests a calculation and Ms. Spriggs replied she can easily see the number of times because she sets everyone up individually by name. Chairman Koczan asked that the \$300.00 be reflected in the minutes as an early retirement calculation. Ms. Spriggs stated there was an extra \$100.00 charged because of the work that was done so she maybe should try to re-coup the \$100.00. Mr. Vroman stated at one point he had asked about the actuary doing a grid for a cost of about \$1,500 so members could maybe figure their own calculations and Ms. Spriggs stated that it had been said that it had caused confusion and issues in other entities and is not always accurate. It was agreed that each member is entitled to two (2) calculations and there was no dollar amount assigned.

Motion by member Gizzi, seconded by member Deyette to approve the accounts payable in the amount of \$21,217.46.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

ii. Other Submissions

Ms. Spriggs stated we have a request for travel reimbursement from Jim Koczan for the 35th Annual Police and Firefighters Pension Trustees School from May 2014 in the amount of \$997.99 that includes meals, lodging, registration fee and mileage.

Motion by member Vroman, seconded by member Fleemin to pay the travel reimbursement request made by Jim Koczan in the amount of \$997.99.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

Ms. Spriggs stated we have a request for travel reimbursement from Kurt Vroman for the Opal Conference in the amount of \$500.00 that includes meals, lodging, fee and air fare.

Motion by Member Gizzi, seconded by Member Deyette to approve payment of travel request reimbursement by Kurt Vroman in the amount of \$500.00.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

iii. Member Benefits

Ms. Spriggs stated for the record we had Kevin Homan whose COLA adjustment was applied because he met the three (3) year requirement which says the COLA will be applied three (3) years after retirement or the later of age 52. She stated his adjustment was 2.35% that brings his gross benefit to \$6,223.47 that is inclusive of a monthly retirement benefit of \$5,973.47 and his supplemental of \$250.00 effective August 1, 2015.

Motion made by Member Vroman, seconded by Member Gizzi to approve the benefit calculations for Kevin Homan.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

Ms. Spriggs stated for the record we had an application for early and normal retirement by Mark Clayton that was made back in September 2014 and the employee left employment. She stated Mr. Clayton went to work on an oil rig and he has finally submitted his paperwork; his retro has been calculated for his early retirement which was effective November 1, 2014. She stated his early retirement benefit with 11.5 years of credited service was effective November 1, 2014. She stated his early retirement option was a joint pensioner at 100% giving him a retirement benefit amount of \$1,125.45 (he does not qualify for the COLA) plus his retirement subsidy of \$110.00 which is \$10.00 for 11 years for a total benefit of \$1,235.45.

Motion by Member Vroman, seconded by Member Feemin to approve the early retirement benefit calculations for Mark Clayton as stated.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

B. Senate Bill 172 (Chapter 2015-39, Laws of Florida):

Mr. Christiansen stated he had provided the Board Members with a memorandum that he hoped was helpful and that the members had taken time to go through it. He stated SB 172 did make some changes in the way the pension plan does business and the way the State monies received will be handled. He stated he believed your contract expires the end of September and he does not know where the union contract is in the

negotiation process. He stated what the new legislation provides is that it re-sets the available State money based on the 2012 numbers for use other than the current pension plan and there is still going to be in a lot of cases where the additional State money can be used either by the City or the members. He stated what the legislation says in respect to that money is if the City and the union agree on how the money will be used then it can be used in that fashion for example; if both agree that it can be used for the defined benefit plan or all the money is going into a share plan or a little to both that can be done. He stated the parties have to "mutually agree" on how the money is used but if there isn't mutual agreement then 50% of the available money will go to the defined benefit portion of the plan and the City can define how that money is used; the other 50% of the available money will go into a "to be created" share plan or defined contribution component. He clarified that it is all one plan with two (2) different components. He stated the defined contribution plans that do not have a union have to have a share plan and all of the attorneys that have looked at this believe the share plan component is what the State was looking for as far as a defined contribution plan component. He stated if you do have a union you have to have a share plan component in the plan by September 30, 2015 and you have to have it in your contract which expires on September 30, 2015. He stated he will be providing a share plan prototype where he changed the beginning paragraph to say if any money is allocated to the share plan in accordance with Chapter 175 then that money will be allocated as follows; the available money is divided amongst all of the active members using a formula that uses the number of years of credited service. He stated the way it works is you add up all the years of service in the department; say it is 300 and say you have 15 years of service you would get a 15/300 fraction of whatever the amount of available money is each time there is money to be allocated. He stated if any money is allocated to the share plan it stays in the plan and is invested with all the money in the plan and the members earn the same as the plan's returns and we keep track of each members money on paper. He stated at the net plan meeting we would take out the share plan's portion less the costs. He stated when you retire you begin to get you defined contribution benefit (monthly check) plus you will get the amount that is in your share plan account and pay the taxes on it or roll it over into an IRA. He stated it is only payable to those with normal or early retirement, disability, death and terminated vested but if the member leaves and is not vested the member would not receive any money and the money would be re-distributed among those remaining in the share plan.

Chairman Koczan asked to clarify that we have no choice in whether we have a share plan or not and Mr. Christiansen replied you have to have the share plan component whether you allocate any money to it or not. Mr. Christiansen stated he has talked about the IRS updates and what he is going to do is include those updates in the ordinance with the share plan. He stated he will prioritize the plans that need to be in compliance by October 1, 2015 and we do have a little time here.

Mr. Vroman asked if we would have to still draw up ordinance language for the share plan and Mr. Christiansen replied "yes" it has to be in the plan. Mr. Vroman asked if it would be a big amount and when someone leaves would we figure it out and Mr. Christiansen replied it gets allocated each year to each account. Mr. Christiansen added

there may not be any money if no money is allocated to the share plan and he gave an example that if the union agreed to let the City use all the money for a period of time then no money would go into the share plan. He stated then in the next union contract the union can say they let the City use the money and now the members want some of that money for benefit improvements or into the share plan; if you do not have an agreement then the money would be allocated to the share plan. Mr. Vroman asked if it has to be full years of service and Mr. Christiansen replied this prototype uses full years but it could be prorated, however, it makes the plan more administratively complex. Mr. Christiansen stated this should be part of your contract negotiations because the union will have a part in deciding how to use the State money.

Ms. Spriggs stated Patrick Dolan from Foster & Foster is available by phone if needed for this discussion.

Mr. Christiansen stated he is going to get this proposed ordinance out because the IRS updates have to be made and the share plan component has to be added to the plan. Chairman Koczan asked if Mr. Christiansen will be sending out a copy of the ordinance to the Board for review and Mr. Christiansen replied he will be forwarding a copy to the City Manager and the union because they are the ones that will be negotiating. Mr. Gizzi summarized that Mr. Christiansen wants to get the plan in compliance with the bill so that if the negotiations come to an impasse the money will be distributed according to the default and he feels this needs to be moved on. Mr. Christiansen stated if it is adopted and it is not funded the first year the share plan can be amended. He stated the nice thing is we should be getting the State money in August or September and the deadline for having the share plan is October 1st but the State won't know if we have complied by then and the only thing the State can do is withhold the State money next year if we don't comply and certainly we will comply by then.

It was determined that Mr. Christiansen would forward the prototype to the Board Members for review and comments. Mr. Gizzi stated it will be a platform and basis for the negotiations but we do not want compliance with the law to suffer. Mr. Fleemin stated we should make it clear that these communications in no way be misconstrued as the opening of the contract bargaining early. Mr. Vroman stated the reason he believes the Board should have discussion is because the City and the union turned to the Board previously for whatever the Pension Board thought was fiduciarily responsible for the enhancements and that is what the City went with so the City could look at it and say we like what the Board has and go with it.

Ms. Gallagher suggested it would be good for the Union President and City Staff to attend the Pension Board meetings and it was determined that all of the meetings are open to the public and it would be good to have feedback from the union representative.

Chairman Koczan suggested the prototype could be included on the August regular meeting agenda and if something happens in-between we may need to pick a separate date to conduct this business or we can schedule a workshop prior to the meeting.

i. Overview - Attorney Scott Christiansen

Mr. Christiansen stated to set up Ms. Spriggs for the next two (2) subjects he talked about other parts of Senate Bill 172 legislation which included going forward each board has to adopt a budget for each fiscal year and once it is adopted it is to be provided to the City and made available to the members of the plan. He stated also each time the plan finishes a fiscal year the plan must prepare an expense report with the same items that are on the budget and it needs to report all of the actual expenses for the previous fiscal year. He stated once that report is adopted a copy must be provided to the City, the State and made available to the members.

ii. Detailed Accounting Report - Plan Administrator Lisa Spriggs

Ms. Spriggs referred to the normal fiscal report that we already do in preparation to closing out the books that is in the agenda packet attached behind a letter dated May 29, 2015 from Christiansen & Dehner. She stated what she did was take the last fiscal year close out that is put together for the financial statement for the annual report and we can discuss what to post. She stated we can post it all or in a legal since what the State is talking about. Mr. Christiansen stated the administrative expenses is all that is required by the statute so he would not put anything in about the benefits and we do not need the managers because according to the State those are not administrative expenses. He stated he has sent a number of questions to the State asking for clarification on this but has not received any guidance so far. He stated the State was supposed to be putting out some guidance today or tomorrow. Ms. Spriggs stated what is interesting is so much is disclosed in the annual report and she did not understand what the State thinks it is accomplishing as it is the same information that is already reported and Chairman Koczan replied the State is wanting a budget and that the budget is supposed to relatively compare to the actual expenses. Ms. Spriggs stated that is different from the Administrative Expense Budget. She stated she attempted to do an Administrative Expense Budget but based on what Mr. Christiansen is telling the Board we would not have to include all of this. She stated she listed all those who are normally paid, added some money for travel and some for contingency based on what the Plan has paid plus a cushion in certain areas like Plan Attorney and Actuary because we never know when we will be asking for services. She stated she had based it on the State Report. Mr. Christiansen stated there is a line for administrative expenses and a line for investment expenses so the investment expenses do not need to be on there. He stated if you adopt this budget tonight and you need to make changes you will have to adopt an amended budget and re-distribute it. It was decided to have Ms. Spriggs go back and make the suggested changes, redo the numbers and re-submit the budget at the next meeting.

iii. Administrative Expense Budget - Plan Administrator Lisa Spriggs

Ms. Spriggs will bring this item back to the Board for discussion at the next meeting.

iv. Use of Premium Taxes - Actuary Patrick Donlan

This Item was tabled.

8. STAFF COMMENTS:

A. Plan Attorney Report - Scott Christiansen

Mr. Christiansen reminded everyone the Form 1 should have been filed. Mr. Fleemin stated he had his form and would be giving it to Ms. Day to mail for him. Ms. Day stated she would scan the form to Mr. Fleemin and put the original in the mail.

B. Plan Administration Report - Lisa Spriggs

i. Compliance with Section 112.664, Florida Statutes

Ms. Spriggs stated the Compliance with Section 112.664; Florida Statutes report was prepared by Foster & Foster to meet the statutory financial reporting requirements. She stated that information along with what Bogdahn prepared which is the plan's performance and returns meets the requirements and has been filed with the City and has been posted on the City's website. She stated when she speaks with the City Manager she will ask about having a separate section on the website for the Firefighters' Pension Board of Trustees since we are going to have to start posting this information as well as forms and other information for the members. There was no other discussion.

ii. Annual Report Review by State FY14

Ms. Spriggs stated a copy of the official response to the State that was mailed to the State on July 20, 2015 is in the packets. She stated at the same time the State sent a letter again and she thinks we had already provided some information regarding the payroll so for the most part she thinks the questions were easy to answer and she does not foresee any issues with the actual report; the report from the State should be coming back quickly once the State reviews it for compliance. Mr. Christiansen stated by the way the State never approves and signs off the report on the first submission.

iii. Summary Plan Description, April 2015

Ms. Spriggs stated the Board approved the Summary Plan Description in April 2015; the Actuary had to do their exhibit and has provided that now. She stated she also has the Chairman's signature on the front so that will be going out to the members. She stated she is going to talk to the Fire Department about maybe distributing it either by e-mail blast or by intranet.

iv. Fiduciary Liability Insurance FY 2016

Ms. Spriggs stated she was hoping to have the quote for the Fiduciary Liability Insurance in today but they did not get it in to her so she filled out all the forms for updating the liability insurance unless there needs to be changes to any provisions. Mr. Christiansen asked Ms. Spriggs who the insurance is with and Ms. Spriggs replied it is with Travelers. Mr. Christiansen stated that is fine. Ms. Spriggs stated that will be coming back for the next Board Meeting and the Board can approve that for October 1st.

Ms. Spriggs stated she did not mention this under expenditure approval because she does not have all the paperwork finalized and she is working with the actuary but, she has a list with several members who are filing paperwork to take advantage of going into DROP. She listed them: Paul Cardini for DROP effective March 1st; Christine Gallagher for DROP effective March 1st; Tim Shepherd for DROP effective April 1st and Chris Sievert for DROP effective May 1st. She stated she will read these into the record at the next meeting but, she wanted the Board to know there had been some activity due to the new ordinance. She stated she is catching up and the actuary will begin preparing their DROP Account Statements and then the members will start to get something quarterly once that is set-up. Mr. Christiansen stated those are retirements and we should be approving those as soon as they are finalized; they should be selecting their options and Ms. Spriggs replied they did but the DROP paperwork is not quite set-up yet.

Mr. Christiansen suggested the Board put off the discussion of the Operating Rules & Procedures one more time. Chairman Koczan suggested the Board Members review the document and if there are any questions forward them via e-mail to Ms. Spriggs. He suggested if Ms. Spriggs sees any common questions the Board can follow-up from there and have everything ready for the next meeting. Mr. Christiansen asked Ms. Spriggs to copy him on the questions also. Mr. Vroman suggested if anyone thinks there is going to be a lot of debate to let Ms. Spriggs know. He stated the Board may need to workshop some of the bigger issues so the meetings won't be so long. Chairman Koczan stated maybe the Board could have workshop sessions just prior to the regular meetings if we have a light agenda.

9. BOARD/COMMITTEE MEMBERS COMMENTS:

Mr. Fleemin commented he would like everyone to take time to think about some options for the Premium Tax Dollars and then the Board can get moving once Mr. Christiansen gets back to the Board with his proposal so the Board can meet the State deadline and be prepared for the contract negotiations. Mr. Christiansen stated the Board is not going to be allocating anything because all we are going to do is set up the Share Plan. Ms. Spriggs asked when the contract is up and Mr. Vroman replied September 30, 2015.

Mr. Vroman commented that the Opal Group Training was very good and he hopes that everyone else can get a chance to attend one this coming year. He commented he can talk about what he learned at another meeting. He asked if we have a security fraud attorney and Mr. Christiansen replied he works with some attorneys but let him prepare to talk about it at the next quarterly meeting.

Chairman Koczan commented everyone will be spending time reviewing the Operating Rules and Procedures and he reminded everyone that they should be keeping a journal of their time spent to be submitted for your volunteer hours throughout the year.

A. Next Meeting Date and Time - TBD or Next Quarterly Meeting Date, Tuesday, October 20, 2015, 3:00 p.m.

Ms. Spriggs stated she may have a conflict with the 3rd Tuesday of each month with another Board she is on. After discussion it was decided that the next meeting will be scheduled for September 15, 2015 at 5:00 p.m. and Ms. Spriggs will clarify if she will have that conflict.

10. ADJOURNMENT:

Motion by Member Gizzi, seconded by Member Vroman to adjourn the meeting at 7:37 p.m.

For: 5 - Chair Koczan, Member Deyette, Member Gizzi, Secretary Vroman and Member Fleemin III

Jim Koczan, Chairman

ATTEST:

Janet Day, Deputy City Clerk