

**CITY OF DELTONA, FLORIDA
FIREFIGHTER'S PENSION BOARD OF TRUSTEES MEETING
TUESDAY, JANUARY 15, 2008**

A Regular Meeting of the Firefighter's Pension Board of Trustees was held on Tuesday, January 15, 2008 in the City of Deltona's 2nd Floor Conference Room at 2345 Providence Blvd., Deltona, Florida.

1. CALL TO ORDER:

The meeting was called to order at 3:08 p.m. by Chairman Chris Nabicht.

2. ROLL CALL:

Chairman	Chris Nabicht	Present
Secretary	Earl "Mac" Deyette	Present
Boardmember	Chris Sievert	Present
Boardmember	John Adams	Present
Boardmember	William Scott Johnson	Absent
Plan Administrator	Lisa Spriggs	Present
Employee Benefits Specialist	Gene Gizzi	Present

Also present: Commissioner Paul Treusch; Susan Helberg, Accounting Manager; Lee Dehner, Christiansen and Dehner and Joyce Kent, Deputy City Clerk.

3. A. ADOPTION OF MINUTES:

Mr. Jim Koczan advised that on page 5 of 7, first paragraph, where it states "Mr. Koczan is currently a Captain with Volusia County Fire Services, runs the fire protections service for the County" should be corrected to reflect "Mr. Koczan is currently a Captain with Volusia County Fire Services and runs the fire protections service for the Daytona Beach Airport for the County".

Motion by Chris Sievert, seconded by John Adams to approve the Minutes of December 4, 2007 as amended. There was no discussion. The motion was unanimously approved.

B. ADDITION OR DELETIONS TO THE AGENDA:

There were no additions or deletions to the Agenda of January 15, 2008.

Motion by Earl Deyette, seconded by Chris Sievert to adopt the Agenda. The motion was unanimously approved.

4. MEMBER COMMENTS:

None

5. APPROVAL OF EXPENDITURES:

BOHDAHN CONSULTING, LLC

The Chairman stated the Bogdahn Consulting, LLC bill was not available and is a set fee of \$2,625.00 for the last quarter, October through December 2007.

Motion by Chris Sievert, seconded by Earl Deyette to approve the bill from Bogdahn Consulting, LLC in the amount of \$2,625.00. There was no discussion. The motion was unanimously approved.

LISA H. SPRIGGS

A bill was submitted by Lisa H. Spriggs in the amount of \$4,500.00 for administrative and consulting services for the months of October, November and December 2007.

Motion by Chris Sievert, seconded by Earl Deyette to approve the bill from Lisa H. Spriggs in the amount of \$4,500.00. There was no discussion. The motion was unanimously approved.

OTHER SUBMISSIONS

A bill was submitted for Christiansen & Dehner, P.A. in the amount of \$203.00 for professional services.

Motion by Earl Deyette, seconded by Chris Sievert to approve the bill from Christian & Dehner, P.A. in the amount of \$203.00. There was no discussion. The motion was unanimously approved.

6. OLD BUSINESS:

A. Appointment of Fifth Member

The Chairman said at the last meeting Mr. Koczan indicated he wanted to serve on the Board and the item was placed on hold until Mr. Johnson's presence. He stated since then Mr. Johnson has notified the Board via email he is vacating his seat.

Mr. Dehner stated Mr. Johnson, whose resignation is effective January 10, 2008, will need to file Form 1F, Final Disclosure, within 60 days of the date he stepped down and will be for the period of January 1, 2008 to January 10, 2008. Mr. Dehner stated by July 1, 2008, Mr. Johnson and the other Board members will need to file Form 1 for the last calendar year.

Mr. Dehner stated Mr. Koczan will need to file Form 1 within 30 days of the City Commission's confirmation of his appointment.

Motion by John Adams, seconded by Earl Deyette to approve the appointment of Jim Koczan as the fifth member to the Board. The motion was unanimously approved.

7. NEW BUSINESS:

A. Operating Rules and Procedures.

Mr. Dehner reported the draft Operating Rules and Procedures would be used as the basis and tailored for the Board. He stated he will have a meeting with the City Manager to see whether the City or

the Board should have the direct contract with the actuary. Mr. Dehner reported other City personnel who provide services, rules provide that functions be identified and if they are paid the Board should have a separate agreement with that employee. He stated what the Board will do more frequently and what we've done already with the investment consultants and the City Manager is to contract on a contract basis.

The Chairman stated the Operating Rules and Procedures is a significant item and would ask to table the item till the February 19, 2008 meeting to give Mr. Koczan time to review the material.

Mr. Deyette stated every trustee should be required to attend a seven (7) hour conference relating to investment programs and should attend one each term.

8. ATTORNEY'S REPORT:

Mr. Dehner previously stated he needs to meet with the City Manager to discuss the actuary issue. Mrs. Spriggs stated the pending Compliance Ordinance was approved on first reading on December 17, 2007 and second reading will be January 22, 2008.

Mr. Dehner addressed the following questions:

1. Can Ron Green, who retired April 1, 2007 from the plan, apply for disability? Mr. Dehner stated "No", it's clear under the ordinance to be eligible you've got to be an active employee at the time you apply for whatever benefit. He stated you retain the status you retire under and you can't change your status. Mrs. Spriggs stated she will notify Mr. Ron Green.
2. Can the Board pay a member a onetime lump sum payout as a retirement benefit if the Board found it to be in the best interest of the plan? Mr. Dehner stated the current plan does not have the option; however, the question was if the payment was at a discounted amount and was found to be in good financial interest of the plan does the Board have the authority? Mr. Dehner stated "No"; the Board only has the authority to pay an optional form of benefit in accordance with the optional forms in the plan. Mr. Dehner stated the Board may want to look into a partial lump sum option to amend into the plan. The Chairman asked could somebody roll the money over into another IRS approved plan. Mr. Dehner stated the DROP lump sum can roll money over into another approved plan but, would not be applicable to the monthly annuity payments because they aren't subject to a penalty. The Chairman asked to have Mr. Tierney provide information on the PLOP {Partial Lumpsum Option Payment} Program.
3. Can a member buy credit for military services that was served pre-employment with the City? Mr. Dehner stated "yes" and most of those provisions typically provide the cost of the buyback as be an actuarially calculated amount. He stated they have a maximum of five (5) years that you can purchase for that prior time and would not count for vesting purposes because it's not time served with Deltona but, would count for retirement and benefit amounts. Mr. Dehner stated he can supply examples of provisions, what they'd look like in the plan, to use as a basis for discussion. The Chairman asked Mrs. Spriggs to introduce to the Commission the concept that the ordinance is a living, breathing document and will be presented on a regular basis to keep it up to date with State laws, IRS regulations, etc.

Mr. Dehner stated social security released information outlining Chapter 119, which was amended last year, requiring an agency that provides social security numbers to keep a legend that informs the individual that their number will only be utilized to administer their benefit and needs to be on any document that has a social security number. He stated the agency needs to report by January 31st of each year to the President of the Senate and Speaker of the House our compliance with that. Mr. Dehner stated if the agency receives an inquiry from a commercial company asking for somebody's social security number the Board has to report that to the Governor's Office, the Senate and to the House.

Mrs. Spriggs asked for Mr. Dehner's recommendation on fiduciary insurance for trustees and is that something the Board should look at? He stated "yes", the Board and its members are unique because by statute it is an independent legal entity which means the Board can sue and be sued without joinder of the city. Mr. Dehner recommended a million dollar limit of liability with a deductible of \$3,000-\$5,000 and could obtain quotes with defense cost paid in addition to the million dollar limit or out of that. Mr. Dehner will provide a list of agencies that provide fiduciary insurance to Mrs. Spriggs who will request and complete the application process and then bring the quotes, a minimum of three, back to the Board.

9. PLAN ADMINISTRATION:

Mrs. Spriggs stated the actuarial evaluation for the year has been completed by the attorney and a quarterly meeting is scheduled for April 15, 2008. The Chairman requested Bogdahn Consulting, LLC be present at the meeting in case they have a questions or comments for Mr. Tierney. Mr. Dehner asked to review the agenda and in the event any legal questions arise defer them. Mr. Gizzi suggested Bogdahn Consulting, LLC do a report on February 19, 2008 and the quarterly in April.

Mrs. Spriggs stated she received from Doug Feltz of Principle Financial the updated contract summary based on the last meeting where they reduced the contract fee from the \$18,319 to \$9,500, they reduced the bond and mortgage separate account from the .71% to .55% and supplied information on each investment category. Mr. Gizzi stated he will discuss with Mr. Feltz the breakdown of expenses between the fund expense and principal. Mr. Adams stated the weighted average was 88% and Bogdahn Consulting, LLC pointed out the average was high. The Chairman stated a representative from Principle Financial indicated there was room for more of a reduction and the Board needs to know whether they can or cannot reduce the overall basis points.

Mr. Gizzi handed out the "Asset Class Performance 1992-2006" and reported the "Bond and Mortgage Separate Account" came out in the plus over the last three months. Mr. Gizzi commented "the Board needs to continue to exercise due diligence."

10. BOARD MEMBERS COMMENTS:

Mr. Sievert stated how nice it was to have the attorney present.

Mr. Deyette stated on the first reading of the Ordinance a request was made by Commissioner Zischkau that he wanted to discuss the ordinance and put it off until the second reading because he had questions as to the way the ordinance reads. Mr. Deyette stated the Ordinance was changed because of the State of Florida, the Federals, etc. He asked that somebody attend the City Commission meeting on January 22nd that could answer questions as to why things were done the way they were. Mr. Dehner stated if any Commissioner has questions he is welcome to contact him. Mrs. Spriggs stated she will follow up to see what the questions might be. The Chairman reported once the questions are in writing

Mrs. Spriggs could direct the questions to the City Manager, who may have the answers, and if not forward them to the attorney.

Mr. Adams stated he was glad to have an attorney here who is skilled in his profession.

The Chairman questioned whether Finance followed up on the memo from Dave West about the state insurance premium tax dollar calculation including all the benefits to determine the salary, not including FRS employees.

11. CONFIRMATION OF THE NEXT MEETING DATE, TIME AND LOCATION:

February 19, 2008, 2nd Floor Conference Room at 5:00 p.m.

12. ADJOURNMENT:

Motion by Chris Sievert, seconded by Earl Deyette to adjourn the meeting. The motion was unanimously approved.

There being no further business the meeting adjourned at 6:23 pm.

Approved this _____ day of January, 2008.

CHRIS NABICHT, Chairman

ATTEST:

**Joyce Kent
Deputy City Clerk**