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**CITY OF DELTONA, FLORIDA
FIREFIGHTER'S PENSION BOARD OF TRUSTEES MEETING
TUESDAY, October 21, 2008**

A Regular Meeting of the Firefighter's Pension Board of Trustees was held on Tuesday, October 21, 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 3:15 p.m. by Chairman Chris Nabicht.

2. ROLL CALL:

Chairman	Chris Nabicht	Present
Secretary	Chris Sievert	Present
Board Member	Earl "Mac" Deyette	Present
Board Member	John D. Adams	Present
Board Member	James Koczan	Present
Plan Administrator	Lisa Spriggs	Present
Employee Benefits Specialist	Gene Gizzi	Present

Also present: Plan Attorney Mr. Lee Dehner and Union President Mr. Kurt Vroman.

3. APPROVAL OF MINUTES & AGENDA:

A. ADOPTION OF MINUTES:

Motion was made by Mr. Adams, seconded by Mr. Deyette to approve the minutes of September 16, 2008. There was no discussion. Motion carried with members voting unanimously.

B. ADDITION OR DELETIONS TO THE AGENDA:

Ms. Spriggs asked to add one billing for Actuarial Concepts which is their September billing to Item 5. She stated she also had an item that could be added under her Plan Administration Report or as an item regarding a request from the last meeting to report back with some information on line of duty disabilities at the request of Mr. Vroman. The Chairman stated that this item could be part of the Plan Administrator's report.

Mr. Gizzi asked to add an item under "New Business". The Chairman stated that it would be Item 7-E under new business which will be the financial status given by Mr. Gizzi.

Motion by Mr. Adams, seconded by Mr. Koczan to approve the agenda with the additions. After discussion, motion carried with members voting unanimously.

4. MEMBER COMMENTS:

The Chairman distributed copies of an email he had received from Mr. Vroman regarding a study that is being done by the legislature regarding some accountability of pension plans to roll into the FRS System and asked Mr. Vroman if he wanted to comment on it or summarize it. Mr. Dehner stated that the email contained a good summary and stated he would keep the Board posted.

Mr. Deyette stated he was withdrawing his name for attending the pension conference in December and asked that the money he would spend be used by those who are attending for expenses incurred traveling

1 back and forth to the conference. He stated he would a new person attend so they could meet other members
2 and the conference would provide a lot of useful information. He suggested the union send a couple of
3 members. The Chairman stated there is a requirement in the policy that was adopted several months earlier
4 for new board members to attend one of these conferences. Mr. Vroman replied the union was planning to
5 send two (2) members.
6

7 **5. APPROVAL OF EXPENDITURES:**
8

9 **A. THE BOGDahn GROUP, APRIL-JUNE**
10

11 Bill from Bogdahn Group was submitted for July – September, 2008 in the amount of \$2,625.00 for
12 performance of evaluation and performing services.
13

14 **Motion by Mr. Deyette, seconded by Mr. Sievert to approve the bill as submitted. There was no**
15 **discussion. Motion carried with members voting unanimously.**
16

17 The Chairman asked Ms. Spriggs to follow-up on why past due was stamped on the attached bill and he
18 stated he was sure that the account was current. Ms. Spriggs replied that she recalled Bogdahn had to re-
19 bill because there was an added fee that had been questioned by the Board at a previous meeting. The
20 Chairman asked Ms. Day to send the bill to Ms. Spriggs.
21

22 **B. CHRISTIANSEN & DEHNER, P.A.**
23

24 Bill from Christiansen & Dehner was submitted for the month of September 2008 in the amount of \$729.00.
25

26 **Motion by Mr. Sievert, seconded by Mr. Koczan to approve the bill as submitted. There was no**
27 **discussion. Motion carried with members voting unanimously.**
28

29 **C. LISA SPRIGGS, PLAN ADMINISTRATOR**
30

31 Bill from Lisa Spriggs was submitted for services as Plan Administrator for July – September 2008 in the
32 amount of \$4,500.00.
33

34 **Motion by Mr. Deyette, seconded by Mr. Sievert to approve the bill as submitted.**
35

36 Mr. Adams asked Ms. Spriggs why she did not bill each month instead of quarterly and the Chairman replied
37 that had been the agreement. Ms. Spriggs stated the Board does not always meet every month, but must meet
38 at least quarterly and that is why they had agreed on billing each quarter.
39

40 **After discussion, motion carried with members voting unanimously.**
41

42 **D. Actuarial Concepts**
43

44 Bill submitted from Actuarial Concepts dated September 2008 for the special study in the amount of \$465.00.
45

46 **Motion by Mr. Sievert, seconded by Mr. Adams to approve the bill as submitted. There was no**
47 **discussion. Motion carried with members voting unanimously.**
48

49 **6. OLD BUSINESS:**
50

51 **A. Actuarial Contract**
52

1 Mr. Dehner stated he had tried to reach the City Manager and the City Attorney, but was unsuccessful in
2 having discussions on this issue. The Chairman asked when the contract comes up for renewal and Ms.
3 Spriggs replied that this contract does not have a renewal. The Chairman suggested Mr. Dehner contact
4 Mr. Tierney and ask if he wants to terminate the contract. Mr. Dehner stated he thought it would be
5 beneficial if the Board had a new contract directly with Mr. Tierney. At the Chairman's suggestion Item
6 6-A was tabled until the next meeting. Mr. Dehner stated that the next quarterly meeting would be
7 January 20, 2009. Mr. Sievert stated he had concerns because the union was entering into union contract
8 negotiations with the City sometime in January and he did not want the City to use the actuarial contract
9 for contract negotiations. The Chairman replied the City would be able to use them and he did not feel it
10 would be a problem. He stated the Board had agreed even though it was not binding that when the Board
11 brought Mr. Tierney onboard the City could use him. He stated the intent was for the City to be able to
12 use Mr. Tierney; they would just pay for their portion of the services.
13

14 **B. Proposed Plan Improvements**
15

16 Ms. Spriggs gave a detailed summary of the proposed plan improvements that had been discussed
17 previously. The plan is to hold meetings with the union members and possibly have them rank the plan
18 improvement options to see how they ranked. The summary showed options including the 3.1 and the 3.2
19 multiplier change, the change to the six (6) year vesting, changing the subsidy to \$10.00 for a thirty (30)
20 year maximum from \$5.00 for a twenty (20) year maximum, adding a 2% COLA every other year or
21 adding a 2% COLA every fifth year and the redefined contribution to include overtime. The current
22 premium tax is approximately \$360,000; the Board can use \$152,487; everything that is collected above
23 that amount is frozen in the plan which builds unless enhanced benefits are added. The premium tax
24 refund benefit for this year amounted to approximately \$360,000 which equates to about 8% of payroll.
25 There was discussion to look at the premium tax refund money to see what is there and possibly add
26 additional contributions. The State did an administrative policy on the premium tax distribution funds
27 that is stricter than she interpreted the law in that if a benefit is added the amount of money that can be
28 used again is frozen. Ms. Spriggs suggested the Board look at a shared plan whereby the Board would
29 take the remainder of the premium tax refund and divide among the plan members either through a
30 defined contribution account or individually depending on how the plan is structured and this way the
31 plan could absorb all the money every year.
32

33 Mr. Dehner stated the Board is looking at two things; increases and money to fund increases is measured
34 in dollars not in percentages which is what could increase the City's contribution. Second, the share plans
35 are set up so that all of the increases in the state money go into the shared plan and if the members were to
36 decide to consider the share plan it would have to be done with a majority vote. Ms. Spriggs suggested
37 going for the enhanced benefits first and then the share plan.
38

39 The Chairman asked if the shared plan negates the defined benefit and Mr. Dehner replied "it would not".
40 The Chairman stated it appears to him that this would shift the whole process and in essence would
41 become a contract issue or a bargain able item. Mr. Dehner stated once this plan is chosen any future
42 enhancements to the defined benefit can only be done in two ways which is by increasing the City
43 funding or through increasing member contributions. The Chairman stated he would not endorse the
44 share plan as young as the plan is at this time, but would rather look at plan enhancements. The Chairman
45 stated the Commission will need to know that after the first year it will cost more and how much more
46 that cost would be.
47

48 Mr. Dehner asked if the contract would be a three (3) year contract and Mr. Vroman replied normally,
49 unless either side decides they do not want it to be. Mr. Dehner stated there may be an amendment by the
50 legislature in the future to look at a percentage of payroll rather than dollars saying that a three (3) year
51 contract might be more prudent.

1
2 The Chairman stated he did not think that the present Commission would vote for anything that would
3 obligate the City to more funds at this time and that the increases will not be coming from the insurance
4 premium tax but dollars from the City's general fund. The Chairman asked if Ms. Spriggs had received a
5 clarification on whether the numbers are retroactive or are they from today forward and Ms. Spriggs
6 replied the 3.1% was retroactive. The Chairman asked if they opt for the share plan, consume all those
7 dollars and there are no insurance premium tax dollars left to offset any future enhancements or benefits
8 those benefits would be solely funded by the members and/or the Commission and Mr. Gizzi replied
9 "yes". The Chairman stated he is not in favor at all in going to the share plan now or anywhere in the
10 future and the Board members agreed. He stated hearing that response; the share plan is off the table.

11
12 The Chairman asked Mr. Dehner how to overcome or get around the freezing of today's dollars and Mr.
13 Dehner suggested the Board lobby by writing to the State Benefits Commission. The Chairman asked the
14 Board members if they were in favor of having Mr. Dehner and Ms. Spriggs write a letter to possibly get
15 the interpretation changed. Mr. Deyette suggested the Board allow Mr. Dehner, Ms. Spriggs, Mr.
16 Vroman and the union members to look into the options with the lobbyists and try to gage the thoughts of
17 the upcoming legislature. Mr. Vroman stated he did not feel the Board should leave today's meeting
18 without getting the subsidy up. The Chairman stated when the Board entered into the process of
19 enhancing the benefits it was understood that there would be a survey of the members, however, he is not
20 inclined to do that at this time. He stated he would rather the Board make a decision on enhancements
21 and put it before the Commission.

22
23 Mr. Gizzi asked if the premium tax revenue could go down and Mr. Dehner replied "yes", based on
24 premiums. Mr. Gizzi asked what value as a union president or firefighter would be seen in a six (6) year
25 value and Mr. Dehner replied he believed in some cases plans have used it for a recruiting tool.

26
27 The Chairman summarized the process saying the information would be given to the union members in
28 October; there would presentations and Ms. Spriggs could answer questions in the early part of
29 November; the union members would hold their regular meeting the end of November and finalize the
30 rankings of the improvements; Mr. Vroman could submit the rankings to the Board at the December
31 meeting; the Board would take the rankings from the membership and put a proposal together to bring
32 forward. Mr. Sievert asked if the non-union members would also be polled and the Chairman replied he
33 could do that. The Chairman asked Mr. Dehner if there would be any reason to poll the members that
34 have separated service (vested terminated members) and Mr. Dehner replied "no".

35
36 **7. NEW BUSINESS**

37
38 **A. Proposed Ordinance Amendment**

39
40 **1. Partial Lump Sum Benefit Option**

41
42 The Chairman stated he was pleased with the proposed Ordinance written by Mr. Dehner. Mr. Dehner
43 stated he had looked at the Ordinance itself and added the partial lump sum benefit option and he stated it
44 could be combined with the drop plan as had been discussed. Mr. Sievert asked if there are going to be
45 proposed language changes that are cost neutral why not take the opportunity to take the medical subsidy
46 that is .02% cost neutral and incorporate it all at one time. The Chairman stated there was going to be
47 another Ordinance brought forward soon which will contain the IRS changes as well. Mr. Dehner stated
48 there was one (1) that had already been reviewed that had not gone anywhere and there are new changes
49 that are in the works now. The Chairman asked when Mr. Dehner thought that Ordinance would be going
50 before the Commission because he would rather attach the subsidy to the mandatory Ordinance with the
51 IRS changes that will be going before the Commission. The proposed plan enhancements may be rolled

1 into the Ordinance with the IRS changes. The Chairman asked Mr. Dehner if he had been able to speak
2 with Mr. Trovato and Mr. Dehner replied "no". The Chairman stated he had asked Mr. Trovato to be in
3 attendance at today's meeting to discuss this item and he was not sure why he was not at the meeting.
4

5 **Motion by Mr. Sievert, seconded by Mr. Deyette to move the draft Ordinance changes to the City**
6 **Manager for Commission consideration.**

7
8 The Chairman asked about the age and required number of years of service to retire according to their
9 plan and Ms. Spriggs stated the plan called for twenty-five (25) years of service and age fifty-five (55).
10

11 Mr. Sievert asked Mr. Dehner which drop plan was more prevalent with the plans he represents and Mr.
12 Dehner replied that most had been five (5) years, some had been three (3) years and many are now going
13 to seven (7) or eight (8) years. He stated most of the plans are twenty-five (25) years of service and age
14 fifty-five (55) with early retirement is fifty (50).
15

16 Mr. Sievert asked if the one person who is already in the drop and currently collecting funds will this
17 allow him to stay in the drop for seven (7) more years and Mr. Dehner replied it could apply both ways
18 but normally it would apply to someone who is already in the drop.
19

20 Mr. Deyette stated he preferred the five (5) year drop but if the membership wants eight (8) to let them
21 have it. He stated there could be a situation where someone is waiting for a position and would have to
22 wait another two (2) or three (3) years for someone else to get off drop. Mr. Gizzi replied that was a good
23 point that not so much from the trustee point of view but if someone is opting out of the plan and going
24 into the drop where they could have added 3.2% plus three (3) more it is a difficult thing to comprehend
25 because they do not know their life expectancy.
26

27 The Chairman stated the Ordinance would go to the City Manager for approval and then be put on the
28 agenda for first reading possibly in November.
29

30 **Amended motion by Mr. Koczan, seconded by Mr. Deyette to have Mr. Dehner forward the**
31 **modified Ordinance to the City Manager for review and approval and to add the necessary**
32 **language to include the single member who is currently in the drop to receive the benefit of this**
33 **improved Ordinance. Motion carried with members voting unanimously.**
34

35 Mr. Dehner asked the Board to confirm they still wanted the eight (8) year drop and the Board members
36 concurred.
37

38 **B. Quarterly Meeting Dates for 2009**

39
40 Ms. Spriggs stated Mr. Dehner had scheduled the quarterly meetings so that he can be in attendance for
41 the next calendar year. She stated it would take place quarterly at 3:00 P.M. on Tuesdays in the months
42 of January, April, July and October; meetings would be held in the second floor conference room.
43

44 **C. Plan Administration Contract**

45
46 Ms. Spriggs proposed a 20% reduction in her fee for services because of the addition of the Plan Attorney
47 saying that a lot of things have been accomplished. There are different parties onboard now and the
48 Board is functioning and moving along. Mr. Koczan asked if this would require any action by the Board. The
49 Chairman stated he disagreed that there is less work to be done and there will be more work to be done in the future.
50 In the event there are four (4) new Board Members in January there could be a significant amount of additional work
51 and he recommended she wait until the new Board is seated in January.
52

1 Mr. Koczan asked if the contract would be ongoing until the Board decides and Mr. Dehner replied the contract was
2 subject to termination by either party.

3
4 The Chairman asked that item 7-C be tabled until the January meeting saying that Ms. Spriggs' contract will remain
5 in effect as is until that time.

6 7 **D. Trustee Elections**

8
9 Ms. Spriggs stated the elections were coming due, two (2) from the union membership and two (2) appointed by the
10 Commission which should be part of the Operational Procedures. The Clerk's Office will be taking the nominations
11 and Mr. Adams and Mr. Deyette will be the appointees from the City. Typically the City Manger would be advised
12 if Mr. Adams and Mr. Deyette are interested in serving again and the openings would also be posted for people who
13 may be interested in serving. The Board should be seated by January 15, 2009. The Chairman stated that emails
14 should be sent to the Deputy City Clerk as soon as possible if the members are interested in serving again.

15 16 **E. Employees Benefits Specialist Report**

17
18 Mr. Gizzi stated Mr. Adams had asked him to take the monthly report and summarize it into a single page. He
19 stated he had worked with Principal to get permission to provide that summary with each fund amount, the
20 percentage of each sector that that account represents and then the percentage of each sector as it relates to your
21 investment policy statement. It was then provided for Mr. Adams and then he went to Principal and showed them
22 the format he wanted to use which Principal could not approve as it is not in compliance with their procedures. He
23 stated they suggested using the same format used by and supplied by Mr. Fletz.

24
25 **Motion by Mr. Adams, seconded by Mr. Sievert to have Mr. Gizzi provide the summary that he has been**
26 **providing in the format that was acceptable to the Board. Motion carried with members voting**
27 **unanimously.**

28
29 Mr. Gizzi stated he wanted to make the Board aware that Principal had made a mistake on their report which
30 reflected a minus 10.2% for the time period from September 1, 2007 to October 30, 2007 and should have been
31 minus 17.94%. The Chairman stated that Mr. Geadelmann had promised to provide hypothetical models built on
32 both mixes and Mr. Gizzi replied that would not be a bad idea and he would supply it for the Board at the next
33 meeting. The Chairman asked that he have the information at the December meeting and he asked Ms. Spriggs to
34 contact everyone to let them know the next scheduled meeting will be in December.

35 36 **8. ATTORNEY'S REPORT**

37
38 Mr. Dehner stated he was drafting the Federal Compliance amendments for the plan which are required.
39 He stated he is working on legislation that will be re-filed again this year that include some provisions
40 that have been discussed over the past year and House Bill 171 that did not make it to the floor before the
41 session ended which allows increased bond securities above 10%, allows to consider going to a four (4)
42 trustee term from a two (2) year trustee term and allows the ability to make direct transfers of money from
43 a pension plan to an insurance company which would allow retirees with a normal disability retirement
44 who get the insurance part from the City to take advantage of the \$3,000 Federal Income Tax exclusion.
45 He stated he would keep the Board updated on some proposed rules Mr. Slaven was working on and that
46 one other item would be to include an amendment that was passed in the last session in the plan when the
47 federal compliance amendments are done.

48 49 **9. PLAN ADMINISTRATOR**

50
51 Ms. Spriggs stated she received a letter from Bogdahn that was sent to the investment managers stating
52 they wanted to look at an outline of what their prospective was with regards to their strategy for each of
53 the clients and wanted them to look at the portfolios, the investment guidelines established within the
54 investment policy and then report back if they are holding any securities that are now below the

1 parameters that are set forth. This was done as a blanket for all their clients. The insurance policy is
2 bound effective October 1st and the waiver of recourse that is provided will be billed to the Plan and then
3 the City will reimburse the Plan. She stated she had spoken with the City Manager and she agreed the
4 City will be paying for the recourse portion.
5

6 Ms. Spriggs stated the conference was moved to December 1-3, 2008. She stated the member meetings
7 were scheduled for November 8-10 at which time the annual statements will be provided. The quarterly
8 Commission report was given on October 6th.
9

10 Ms. Spriggs stated Mr. Vroman asked about line of duty and disability and she responded she had gone
11 through the State's website that has all the benefits and plans. Currently it is at 60% so she looked at
12 plans that were above 60% and most of them are at the statutory 42% minimum with some at 60%. The
13 ones that were over 60% were outlined and there were eight (8) plans at 75% with about nine (9) that
14 were between 65-68%. Approximately 17 plans out of 200 are higher than the current plan.
15

16 Mr. Vroman asked if any of the plans were tax free and Mr. Dehner replied that would be determined
17 under federal law and they use several factors to determine taxability. Mr. Gizzi stated he would give Mr.
18 Vroman a link or email a large document. The Chairman stated if Mr. Vroman wanted to increase the
19 percentage the actuary would need to do a study and the next time Mr. Tierney does an actuarial study
20 that request could be rolled into it. The Chairman suggested Mr. Vroman do some research and bring it
21 back to the Board to see if it can be incorporated into the next actuarial study. Mr. Vroman suggested the
22 plan should look at and maybe go to 42% until vested and go more after 15 years. Ms. Spriggs stated
23 there were some plans that were higher but they were closed plans and only active for their retirees.
24

25 **10. BOARD MEMBERS' COMMENTS**

26

27 Mr. Deyette stated he thought it was a good meeting and he appreciated what Ms. Spriggs was trying to
28 do.
29

30 Mr. Koczan asked if the issue of Mrs. Helberg receiving the actuary bills get resolved and Ms. Spriggs
31 replied she would get that changed in the next contract.
32

33 Mr. Koczan suggested having council at the meetings because it makes the meetings more informative
34 instead of having to wait for answers.
35

36 The Chairman stated he would like to echo the comments that were made about Ms. Spriggs saying it had
37 been a privilege and an honor to work on the Board with her and he stated she was truly the catalyst for
38 what has been brought the Board. He stated when he came to the Board the plan was still young and the
39 Board had really grown putting forth a better plan which he felt will survive the economic times of today
40 and provide security for the retirees' pension. He thanked Ms. Spriggs for bringing on Mr. Dehner and
41 Bogdahn and all the folks through her research and guidance. The Chairman stated it is real easy to Chair
42 a meeting and have confidence in being able to direct items to her as the one staff person. He thanked her
43 for her offer to reduce her fees for service and stated the Board will wait to see how things go.
44

45 Mr. Dehner stated Ms. Spriggs is a pleasure to work with. He stated she has helped them and enabled
46 them to do the job in less time.
47

48 The Chairman stated the Board directed him to file a police report regarding tapes of the minutes for the
49 July meeting which he decided not to do. He stated he could still go back and file the report if need be,
50 however, it has been determined that "copies" of the tapes were returned to Ms. Day's office. He stated
51 Ms. Day had reviewed the tapes on a cursory level and it sounds like the tapes are in their entirety but she

1 had not listened to them for detail to reflect the minutes that were approved. He stated the Board
2 approved those minutes based upon her hand written notes and they are the legal record at this point. He
3 stated he wanted to bring up the fact that the tapes have been returned and we have as of last meeting and
4 will do so today immediately after the meetings make a copy of the tapes which the Chairman will keep
5 in his possession for backup in case the tapes should break or whatever the case may be.

6
7 Mr. Adams asked if anyone had asked Mr. Trovato about the tapes and the Chairman replied he did speak
8 to Mr. Trovato who stated he had not requested the tapes, his office did not take the tapes, he does not
9 know why they would have been taken and after reviewing the minutes from the meeting he did not know
10 why they would be so important that Ms. Helberg felt he or the City Manager needed to listen to them.

11
12 Mr. Adams asked if anyone had asked Ms. Helberg and the Chairman replied he had not asked her but
13 that she had been asked not to attend any future meetings by her supervisor Mrs. Pendergrass.

14
15 The Chairman stated the reality of the matter is the Sheriff's Office would only have a report on file and
16 they would not at this point take any action. He stated other than creating an issue at the City level it
17 would not accomplish very much unless there is a legal reason. He stated we acknowledged it at this
18 meeting and on public record that it occurred, we have acknowledged the return of the tapes and we have
19 acknowledged that the Board has approved the minutes as they were taken from hand written notes by
20 Ms. Day and they reflect what went on at that meeting.

21
22 The Chairman stated he was planning to attend the pension conference in Orlando in December and asked
23 what he needed to do. Ms. Spriggs stated he would need to submit a mileage reimbursement form when
24 he returned. The Chairman asked if anyone else was planning to attend. Mr. Koczan, Mr. Sievert and
25 Mr. Vroman replied they would be attending and Ms. Spriggs stated she will try to attend.

26
27 Mr. Gizzi congratulated Ms. Spriggs and stated she deserved all the accolades.

28
29 **11. CONFIRMATION OF THE NEXT MEETING DATE, TIME AND LOCATION:**

30
31 **The Chairman suggested foregoing the November meeting and the Board members concurred.**

32
33 The Chairman asked Ms. Spriggs to advise Principal, Bogdahn and whoever else needed to be notified of
34 the meeting cancellation. He stated the next meeting will be held on December 16th at 4:00 P.M.

35
36 **12. ADJOURNMENT:**

37
38 There being no further business, the meeting adjourned at 5:45 p.m.

39
40 **Motion by Mr. Sievert, seconded by Mr. Adams to adjourn the meeting. Motion carried with**
41 **members voting unanimously.**

42
43 Approved this 16th day of December, 2008.

44
45
46 _____
47 **Chris Nabicht, Chairman**

48
49 **ATTEST:**

50
51 _____
Janet Day, Admin. Assistant II