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**CITY OF DELTONA, FLORIDA
FIREFIGHTER'S PENSION BOARD OF TRUSTEES MEETING
TUESDAY, June 17, 2008**

A Regular Meeting of the Firefighter's Pension Board of Trustees was held on Tuesday, June 17, 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 6:04 p.m. by Chairman Chris Nabicht.

2. ROLL CALL:

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

Also present: Dave West, The Bogdahn Group; Janet Day, Executive Assistant, City Clerk's Office, Susan Helberg, Staff and Kurt Vroman, Deltona Firefighters' Union President.

3. A. ADOPTION OF MINUTES:

Motion by Earl Deyette, seconded by James Koczan to approve the minutes of May 20, 2008 as presented. There was no discussion. Motion carried with members voting unanimously.

B. ADDITION OR DELETIONS TO THE AGENDA:

There were no additions or deletions to the agenda. Motion was made to approve the agenda as published by Mr. Koczan, seconded by Mr. Deyette. There was no discussion. Motion carried with members voting unanimously.

4. MEMBER COMMENTS:

The Chairman asked Mr. Vroman, Firefighters' Union President if he had any comments for the Board Members. Mr. Vroman suggested two requests be considered by the Pension Board and the City in an effort to save the City money. The requests to be considered would be changing when a Member could enter the drop plan and the length of time they would be allowed to participate in the drop plan. Mr. Vroman recommended the time in the drop plan be extended to eight (8) years and asked that the Pension Board draft a proposal to present to the City to help with the budget cuts. The Chairman agreed with Mr. Vroman and stated that this was something that he had brought to the attention of Mr. Behring and Mr. Thompson. The Chairman asked that Mr. Vroman submit his recommendations in writing to be considered when the Board considers enhancements evaluated by the Actuary so that they could be included in the pension articles at the same time. The Members agreed that they were interested in pursuing this option. Mr. Vroman will follow through with a letter to the Board/City for consideration.

5. APPROVAL OF EXPENDITURES:

1 Bill submitted by Actuarial Concepts dated May 16, 2008 in the amount of \$2,121.05 was held over from
2 the May 20, 2008 meeting due to question on the amount. Lisa Spriggs explained the costs included in the
3 bill. The Chairman asked if the Board was comfortable with approving the bill at this time or wait until a
4 discussion on Actuarial Concepts later in the meeting. **Motion was made to approve the bill dated May**
5 **16, 2008 submitted by Actuarial Concepts in the amount of \$2,121.05 by Mr. Koczan, seconded by**
6 **Mr. Deyette. There was no further discussion. Motion carried with the members voting unanimously.**
7

8 Bill dated May 31, 2008 submitted by Christianson and Dehner in the amount of \$3,164.82 which included
9 a previous bill dated April 30, 2008. **Motion was made to approve the bill dated May 31, 2008**
10 **submitted by Christianson and Dehner in the amount of \$3,164.82 by Mr. Deyette, seconded by Mr.**
11 **Koczan. There was no further discussion. Motion carried with the members voting unanimously.**
12

13 **6. OLD BUSINESS:**

14 **A. Fiduciary Liability Insurance:**

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17 Lisa Spriggs gave an update on the Fiduciary Liability Insurance referring to the information included in
18 the member's packets. Ms. Spriggs stated that Brown and Brown's quote had been received and was the
19 lowest but she was unsure if their quote included a waiver of recourse. She suggested that if the Board
20 chooses to take action at this meeting the policy be reviewed by the plan attorney to be sure the policy
21 included a waiver of recourse. Ms. Spriggs has forwarded a copy of Brown and Brown's policy to the
22 plan attorney, adding that in answer to the board members' question as to their personal liability, the
23 waiver of recourse has to be in the policy. She also stated that Gibson and Wirt would guarantee their
24 quote for three years. The Chairman wanted to know several things from Brown and Brown; A) can they
25 guarantee a premium for three years, B) does their policy include a waiver of recourse, C) \$5,000.00
26 deductible and D) what the \$1K is. The Chairman asked that this information be forwarded to the plan
27 attorney before the July 15th Meeting so that he answer these questions. **The Board members agreed to**
28 **table item 6A Fiduciary Liability Insurance until the July meeting under Old Business.**
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30 **B. The Bogdahn Group – March 31, 2008 Report:**

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32 Dave West from the Bogdahn handed out a booklet to the members for them to follow as he gave his
33 report. Mr. West also stated that his firm had expanded and added additional talent, hence the name
34 change from Bogdahn Consulting to The Bogdahn Group. He began his report by looking at the last
35 quarter stating that all sectors were reporting losses and there was nowhere to hide. He continued stating
36 that looking at the charts, Principal has held our asset allocations consistently and while we had some
37 losses we did have some gains finishing about average. Mr. Deyette asked if the base was being eroded
38 and Mr. West stated yes in the short term. Mr. Deyette asked how we fared compared to other clients.
39 Mr. Gizzi asked if we were digging into our contributions. Mr. West answered, no. Mr. Gizzi asked if a
40 good question to ask the Principal Asset Manager scheduled for a future meeting would be how they
41 handle the weighting of value versus growth. Mr. West said the question should be would Principal be
42 looking to favor growth over value stocks as we close out the business cycle. Mr. West stated he would
43 recommend rebalancing. The Chairman asked if Mr. West had any suggestions for Principal to minimize
44 any further losses and maximize opportunities; how are they were performing. Mr. West, the short
45 answer is no. The Chairman asked what they could do to rectify the imbalance. Mr. West stated that the
46 Board may look at the expenses as they seem high. Mr. Gizzi suggested that with the information
47 received today, the plan may be over-diversified and keep in mind that with lower fees you can still be
48 well diversified; cautioning that the Board should keep Principal under constant review. The Chairman
49 asked whether the Board needs to look at bringing in other companies to look at their programs. Mr.

1 West stated that there are firms and programs out there that the Board could look at. Mr. Gizzi said that it
2 may be time to really take a look at Principal's charges and challenge them to lower fees with better
3 allocation management. Mr. West concluded his report.

4
5 Discussion continued regarding the smoothing method. Mr. West asked if the board had considered the
6 smoothing method for their program. The Chairman stated that he believed that the Board had voted on
7 and approved using this method. Ms. Helberg stated that this method would be become effective October
8 1, 2008.

9
10 **4. Discussion of Enhancements Evaluated Out of the Actuary:**

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12 The Chairman stated that in his opinion each improvement is doable individually using the insurance
13 premium tax dollars and possible supplement. He asked for a consensus from the Board what is doable as
14 not to cost the City money and asked the Mr. Vroman to list out the enhancement options and pole the
15 members. He also asked that the suggestions made by Mr. Vroman of vesting in 6 years and the 8 year
16 drop plan be included; also, Mr. Vroman to ask the members how they felt about possibly increasing
17 their contributions if combining enhancements; then bring back to the Plan Administrator and the Plan
18 Attorney to take back to the City Manager. Mr. Vroman suggested that the enhancements not exceed 2%.
19 On conclusion have Plan Attorney draft an ordinance to then submit to City Attorney. He also asked that
20 Lisa put a list together of stand-alones and combinations of enhancements, have survey ready to start
21 having meetings probably sometime in November to go over these enhancements with the union
22 members so that they would have an understanding of the enhancements; then have the members rank
23 them. Once the top 2 enhancements are determined, submit them. There is also built up reserve that could
24 be used over the life according to Ms. Spriggs. She will speak with the Plan Actuary regarding the use of
25 these funds. The plan is to have the options ready for the membership to rank by November and decision
26 be made in January 2009. Lisa will prepare an update to present at that time. **The Chairman suggested**
27 **that Item 6C discussion of Enhancements Evaluated Out by the Actuary be tabled until the July**
28 **15th Meeting under Old Business; the Board agreed.**

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30 **5. Investment Policy Discussion:**

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32 No discussion necessary at this time. **The board agreed to table Item 6D Investment Policy**
33 **Discussion until the August 19th Meeting under Old Business.**

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35 **7. NEW BUSINESS**

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37 **A. Plan Administrator:**

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39 Ms. Spriggs reminded members to file their financial disclosure forms, deadline is July 1st. The approval
40 letter for the Boards filings to the State has been received. Also, the Plan Attorney has updated the forms
41 used for pension plan filings including the new laws that were passed by the legislature effective January
42 1, 2008, Ms. Spriggs supplied copies to Ms. Helberg. Ms. Spriggs will be making a quarterly report to the
43 Commission at the July 21, 2008 Regular Commission Meeting. The Chairman asked Ms. Spriggs to
44 emphasize the fact that although the plan had been in decline at the beginning of the fiscal year, it has
45 begun to move back up. Also, the Chairman suggested that some of the points to make are that the market
46 as a whole had been down; the Board is scrutinizing the investment manager asking that an Asset
47 Manager come to the August meeting to explain better how they are administering the plan; and that the
48 Board is considering looking at other options for investment managers stating that no action has been
49 taken at this time but if no progress is made with lowering fees charged by Principal, it could be possible

1 that the Board could move to make some changes. The Board has been diligent, meeting monthly and
2 having the consultant monthly to keep on top of things. The Chairman encouraged the Board Members to
3 attend the July 21st Regular Commission Meeting to show support.
4

5 Ms. Spriggs summarized items to be discussed at the July 15th meeting of the Board including 1) bringing
6 back up for discussion the procedure for a designated temporary plan administrator to be put in place in
7 case of the absence of the plan administrator that was talked about, 2) hopefully have a report from the
8 plan attorney for the meeting with the City Manager regarding the contract with the actuary, turning the
9 contract over to the Board, 3) finalizing the fiduciary policy with the plan attorney's review and get it
10 underwritten and 4) give an update on plan improvements. There was no other discussion.
11

12 The Chairman asked if there was anything that the Board may want to bring up at the July 15th Meeting
13 as the plan attorney will be in attendance making it a good opportunity to hash out any legal questions or
14 things that might be issues. Mr. Koczan stated he might like to ask the plan attorney his read on overtime
15 as a contractual item. The Chairman stated that he felt that overtime was a contractual issue to be part of
16 any contract negotiations. Mr. Vroman stated that he felt that any pension change would be contractual.
17 Ms. Helberg stated that she believed that there is a Florida Statute that any change in the pension plan is
18 mandatory to be negotiated in the contract if you have a bargaining unit. Ms. Spriggs stated that she
19 would have the plan attorney to review the ordinance. The Chairman read the ordinance and stated that
20 he believed that any enhancement/change to the pension plan would have to be approved by the City
21 Commission after ratification of the collective bargaining agreement. There was no further discussion.
22

23 **9. BOARD MEMBERS' COMMENTS:**
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25 Mr. Deyette said this was a good discussion; this was something that he was going to bring up anyway
26 concerning Principal Group. He suggested that the members try to visit John Adams at John Knox
27 Village, send cards or flowers.
28

29 Jim Koczan welcomed back Ms. Spriggs and thanked Dave West for the information he presented and his
30 comments, good meeting.
31

32 Kurt Vroman thanked the Board for all their hard work.
33

34 There were no other comments.
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36 **10. CONFIRMATION OF THE NEXT MEETING DATE, TIME AND LOCATION:**
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38 The next meeting date will be on July 15, 2008 at 3:00 p.m. 2nd Floor Conference Room.
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40 There was no further business. **Motion was made by Mr. Deyette, seconded by Mr. Koczan. Motion**
41 **carried with members voting unanimously.** Meeting adjourned at 7:52 p.m.
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43 Approved this 15th day of July, 2008.
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Chris Nabicht, Chairman

47 **ATTEST:**
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50 Janet Day, Executive Assistant