

**CITY OF DELTONA, FLORIDA
FIREFIGHTER'S PENSION BOARD OF TRUSTEES MEETING
TUESDAY, May 20, 2008**

A Regular Meeting of the Firefighter's Pension Board of Trustees was held on Tuesday, May 20, 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 5:03 p.m. by Chairman Chris Nabicht.

2. ROLL CALL:

Chairman	Chris Nabicht	Present
Secretary	Chris Sievert	Present (Arrived 5:15 P.M.)
Board Member	Earl "Mac" Deyette	Present
Board Member	John D. Adams	Absent (medical)
Board Member	James Koczan	Present
Plan Administrator	Lisa Spriggs	Via teleconference (5:13 P.M.)
Employee Benefits Specialist	Gene Gizzi	Present

Also present: Doug Feltz, Principal Financial; Janet Day, Executive Assistant, City Clerk's Office and Tom Hayes, resident/businessman.

3. A. ADOPTION OF MINUTES:

Motion by Earl Deyette, seconded by James Koczan to approve the minutes of April 15, 2008 as presented. There was no discussion. Motion carried with members voting unanimously.

B. ADDITION OR DELETIONS TO THE AGENDA:

The Chairman asked that a discussion regarding the contract with the Actuary being transferred from the City to the Pension Board as recommended by the plan attorney be added under New Business labeled Item G. **Motion was made to approve the agenda as amended by Mr. Koczan, seconded by Mr. Deyette. Motion carried.**

4. MEMBER COMMENTS: There were no member comments at this time.

5. APPROVAL OF EXPENDITURES:

Bill dated May 16, 2008 in the amount of \$2,121.05 submitted by Actuarial Concepts for the special studies that were conducted while the Actuary was preparing the annual report, preparation for the April 15th meeting and travel expenses. **Motion was made to approve the bill in the amount of \$2,121.05 by Mr. Deyette, seconded by Mr. Koczan.** The chairman asked for any discussion on this item. The discussion included a request for clarification of expenditures. The Chairman also commented that it was his understanding that the Board was only responsible for a portion of the bill and the City was responsible for the remainder; stating that this was one of the situations that the Plan Attorney had suggested the Board needed to clean up by transferring the Actuary's contract under the Board in terms of contractual obligations, if the City needs him to perform a special study during contract negotiations then the City could pay for that separately. Mr. Deyette asked for clarification from Susan Helberg, who was not present as to whether the Board is responsible for the entire bill. The Chairman suggested that they include Lisa Spriggs

1 the Plan Administrator on teleconference at this time and ask her if she could clarify whether the Board was
2 responsible for the entire amount of the bill or a portion. Ms. Spriggs was reached via teleconference.

3
4 Mr. Sievert arrived at 5:15 P.M.

5
6 The Chairman asked Ms. Spriggs about the bill submitted by Actuarial Concepts stating that he believed
7 that it was the Board's portion for the special study, attending the meeting and asked if the Board was
8 paying for the Annual Report which was given at the April 15th Meeting or was the City paying for the
9 Annual Report. Ms. Spriggs stated that the costs for the Annual Report were included in the bill that was
10 approved for payment at the April meeting and had already been paid in the amount of \$5,815.00.
11 Discussion continued regarding the Actuary's contract confirming that his contract is with the City, but the
12 Board pays the bill; Ms. Spriggs stated that it is the responsibility of the Board for these charges and the
13 City has no financial obligation for the preparation of the report. She also noted that the Annual Report is a
14 requirement by the State and that the Board also uses this report for its annual audit for its financial
15 statement. Ms. Spriggs continued by stating that it was her understanding that according to Mr. Dehner, the
16 Plan Attorney that it is the Board's responsibility therefore it should be the Board's contract. It was
17 determined that the \$2,121.05 was in addition to the Annual Report costs and that the \$2,121.05 is the
18 responsibility of the Board. Mr. Koczan referred to the minutes from the April 15th meeting stating that the
19 comments were not very specific. Ms. Spriggs commented that she had just looked over the bill submitted at
20 the April meeting and had questions also, and that she would follow-up with the Actuary, Mr. Tierney for
21 clarification. The Chairman suggested that this item should be tabled until the Board gets some additional
22 information from Mr. Tierney asking him to break down that cost a little more and explain why it was so
23 costly when it was done in conjunction with the Annual Report. Ms. Spriggs agreed. **The consensus of the**
24 **Board was to table this item until the June meeting under Old Business, Actuarial Concepts bill dated**
25 **May 16, 2008.**

26
27 Bill submitted by Lisa Spriggs, Plan Administrator, for services rendered for the months of January 2008,
28 February 2008 and March 2008 in the amount of \$4,500.00 and a request for reimbursement of \$57.95 for
29 plaque for former board member, Scott Johnson's years of service to the FFP Board for a total of \$4,557.95.
30 **Motion was made to approve as submitted by Mr. Koczan, seconded by Mr. Deyette. Motion carried**
31 **with members voting unanimously.**

32
33 The Chairman asked Ms. Spriggs if she had attended the Commission meeting to give the quarterly report;
34 Ms. Spriggs said she had been unable to attend due to her circumstances but that she had been in touch with
35 Ms. Miller and would be attending the next meeting to catch up.

36
37 **6. OLD BUSINESS:**

38
39 **A. Fiduciary Liability Insurance:**

40
41 Ms. Spriggs asked the Board to look at the memo included in their packets showing comparable quotes
42 from the companies recommended by the Plan Attorney that had been contacted regarding liability
43 insurance coverage. Of the four companies contacted only two responded. Ms. Spriggs mentioned that
44 since the time the quotes were received she learned that Brown & Brown Insurance also provided this
45 same type of insurance coverage. Mr. Spriggs said that this insurance is not covered under the umbrella
46 of the City's insurance policy and would be a separate policy purchased by the Board to cover the Board.
47 Mr. Deyette asked if this coverage was for the Board as a whole or would the Board members be covered
48 individually; Ms. Spriggs said she thought it would cover the Board as a whole but, wasn't sure. Ms.
49 Spriggs was asked to look into what coverage would be afforded to each Board Member, if any, and then

1 the coverage for the Board. **It was the consensus of the Board to request a quote from Brown and**
2 **Brown with the \$5000 deductible and to table this item until the next meeting under Old Business.**
3 Ms. Spriggs also stated that the quotes were probably good for a 30 day basis and that any coverage
4 would be contingent on the underwriter's final approval after review of the 2007 annual audit, actuarial
5 evaluation and current schedule of plan assets.

6
7 **7. NEW BUSINESS:**
8

9 **A. Principal Financial – March 31, 2008 Report**
10

11 Doug Feltz gave some basic information on the plan and went over the handouts included in a packet
12 passed out to the Board Members. Mr. Feltz reported that the plan rate of return for the period 10/1/07 –
13 3/21/08 was -7.81%, the plan rate of return for the period of 10/1/07 – 4/30/08 was -5.14% and stated
14 that the single month of April plan rate of return was 3.42% which was a nice recovery. May is looking
15 optimistic for a continued upturn. **With the advice of Mr. Feltz of staying the course and rebalancing,**
16 **it was the consensus of the Board to stay the course for another month and continue to monitor.**
17

18 Mr. Gizzi had recommended that an asset manager from Principal attend a meeting in the future to go
19 over the actual asset allocation decisions for the plan. The Chairman requested that an actual asset
20 manager attend the July meeting. He also asked Mr. Feltz to email the fund statement for the plan
21 including the monthly calculation of the plan rate of return to Ms. Spriggs to forward to the Board.
22

23 **B. The Bogdahn Group: March 31, 2008 Report**
24

25 The representative from The Bogdahn Group was not in attendance. **Item 7B tabled until next meeting**
26 **under Old Business.**
27

28 **C. Annual Audit Report – Fiscal Year 2006/07**
29

30 Ms. Spriggs reviewed the City's Annual Audit Report to make sure that everything was in agreement
31 with the FFP Annual Report. She also reviewed the Auditor's Comment Letter included in the City's
32 Annual Report to make sure there was nothing in it about the pension plan; noting that the only thing
33 included was about payroll costs having risen significantly over the past couple of years and appear to be
34 headed higher based upon a review of the 2008 budget and the Evergreen pay study that raised pay scales
35 across the City beginning October 1, 2007. Their analysis of this increase was a combination of hiring of
36 additional personnel and significant rate increases that had been implemented during 2006 – 2008 noting
37 that the Department with the highest increase was Fire and Rescue resulting in an additional unfunded
38 liability for the actuarial evaluation. This will be part of Ms. Spriggs' next report to the City
39 Commission. The Chairman stated that not mentioned in the report was the fact that the increased
40 liability had nothing to do with the FFP investment policy or any action of the Board itself but the result
41 of the adjustments in Fire and City staff payroll bringing them up to what is reasonable and customary in
42 the market as evidenced by the Evergreen study. Ms. Spriggs stated that she felt that this was the intent
43 of the auditor's comment letter and that the City had responded in a positive way to the comments and
44 that they were taking a proactive approach in reviewing adjustments that were necessary. Ms. Spriggs
45 will be filing a copy of the audit report and the Actuarial Evaluation with the State and then wait to
46 receive the premium tax money in July or August once everything is approved.
47
48
49

1 **D. Discussion on Enhancements Evaluated out by Actuary:**
2

3 The Chairman went over possible enhancements and suggested that the Board may have to defer to Mr.
4 Dehner. Ms. Spriggs had not received a copy of the Actuary's impact statement and proposed list of
5 enhancements, the Chairman asked that a copy of the proposed list be forwarded to Ms. Spriggs for
6 review and if necessary the Board may have the Actuary, Mr. Tierney via teleconference for the June 17th
7 meeting if Ms. Spriggs should have any questions or need any help explaining the enhancements to the
8 Board. **It was the consensus of the Board to table Item 7D until the next meeting under Old**
9 **Business.**

10
11 Mr. Fletz asked to be excused from the meeting at 6:30pm. Also, Mr. Feltz will coordinate to have an
12 asset management person to attend a future meeting.

13
14 **E. Discussion on Creating a Procedure for a Temporary Plan Administrator in Plan**
15 **Administrator's Absence:**
16

17 Ms. Spriggs had e-mailed that in case of her absence from the meetings the Board should defer Ms.
18 Spriggs' duties to the Plan Attorney, Mr. Dehner, and/or the City Clerk. She continued that in most cases
19 the Board could talk with Mr. Dehner in more detail. Also, Ms. Miller facilitates the process for some of
20 the plans that they serve and Ms. Spriggs is also available but, for continuity the plan attorney should
21 have backup of the files that she has so the plan attorney would be able to access them and be able to fill
22 in when the plan administrator is not available. She also suggested that if Board Members have questions
23 or need advice they should go to the Mr. Dehner and not City Staff. Mr. Koczan asked who would be the
24 filter to the plan attorney to keep costs down. The Chairman suggested that questions or requests for
25 advice should go through the Chairman or the Secretary, Mr. Seivert, as back-up in case of the
26 Chairman's absence to be authorized to go to the plan attorney. The Board would have Ms. Spriggs have
27 Mr. Dehner draft a procedure for the Board to approve to be added as an amendment to the policy. The
28 Chairman also suggested that Ms. Spriggs ask Mr. Dehner to also write a procedure for the sharing and
29 backup of files into the policy and bring forward to the Board at the July Meeting. Ms. Spriggs will bring
30 a flash drive with the files for safe keeping to the next meeting. The Chairman suggested that this item be
31 tabled until the July meeting under Old Business. Ms. Spriggs was asked to have the Plan Attorney to
32 bring the suggested proposed procedures to add to the Board's policy for discussion to the July meeting.
33 **It was the consensus of the Board to table Item 7E until the July meeting under Old Business.**

34
35 **F. Investment Policy Discussion:**
36

37 This item was covered by Mr. Feltz's report so no other action is needed at this time; **it was the**
38 **consensus of the Board to table Item 7F until the next meeting under Old Business.** The Board will
39 continue to monitor just in case some action should need to be taken.

40
41 **G. Discussion of Actuarial Concepts Contract:**
42

43 The Chairman asked Ms. Spriggs if the plan attorney, Mr. Dehner, had had a chance to speak with the
44 City Attorney regarding the Actuarial Concepts contract. Ms. Spriggs said that she thought that the
45 conversation had been with the City Manager who was Steve Thompson at that time and she felt it had
46 not gone anywhere due to Mr. Thompson leaving. The Chairman asked Ms. Spriggs to have Mr. Dehner
47 contact the City Manager or the City Attorney to see if they are comfortable working through the Board
48 and understanding that it is mostly a procedural concern, nothing would change as far as their ability to
49 use the plan attorney. He asked that each Board Member have a copy of the Actuarial Concepts contract

1 to review at the July 15th meeting. **Item 7G was tabled until July 15, 2008 Meeting under Old**
2 **Business.**

3
4 **8. PLAN ADMINISTRATOR'S REPORT:**

5
6 Ms. Spriggs gave her report that there was only one drop participant, Mr. Jim Horton, and no action was
7 needed by the Board.

8
9 **9. BOARD MEMBERS' COMMENTS:**

10
11 Mr. Deyette had no comment as the person he wanted to address was not present so he will wait until the
12 next meeting.

13
14 Mr. Sievert asked the possibility of the items tabled for the June Meeting could be added to the July
15 Meeting instead because of summer vacations and school being out. The Chairman stated that the July
16 Meeting was already a full meeting and the Board would need to meet in June.

17
18 Mr. Koczan was appreciative of Mr. Feltz's report and looked forward to following up with an asset
19 manager from Principal Financial at a future meeting.

20
21 The Chairman asked Ms. Spriggs when she would be giving the report to the City Commission and she
22 stated that she believed that it was scheduled for the 2nd Commission Meeting in July.

23
24 The visitor, Tom Hayes, introduced himself; just at the meeting getting ideas.

25
26 **10. CONFIRMATION OF THE NEXT MEETING DATE, TIME AND LOCATION:**

27
28 The next meeting date will be on June 17, 2008 at 5:00 p.m.

29
30 There being no further business **Motion was made by Mr. Sievert, seconded by Mr. Koczan. Motion**
31 **carried.** Meeting adjourned at 6:52 p.m.

32
33 Approved this 17th day of June, 2008.

34
35
36
37 **ATTEST:**

Chris Nabicht, Chairman

38
39
40 _____
Janet Day, Executive Assistant