# Notice

## St. Pete Beach Fire Pension Board
## Quarterly Meeting
## January 20, 2011 (8:30 am)

**St. Pete Beach City Hall**
**155 Corey Avenue**
**St. Pete Beach, FL 33706**

# Agenda

1. Call Meeting to Order
   - Roll Call
   - Pledge of Allegiance

2. Payment of Invoices
   - Christiansen & Dehner, P.A.
   - Salem Trust Company
   - The Bogdahn Group
   - Anchor Capital
   - M.B.I.A.
   - Thaxton Barclay Group (Liability Insurance)

3. Reports
   - The Bogdahn Group
   - Salem Trust Company
   - Foster & Foster
     - Revised Yearly Report (10/01/2010)
   - Christiansen & Dehner, P.A.

4. Other Business
   - Board Comments
     - Discussion of Commission Resolution 2010-31
     - Discussion of Changes to D.R.O.P Plan
     - Discussion of Development of a Share Plan
   - Audience Comments

5. Adjournment

# FIREFIGHTER'S PENSION BOARD

## 01-20-11

## MINUTES

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PRESENT**

**Michael Handoga**
**Phil Milner, Chairman**
**Keith Beattie**
**Michael Terry**

**NOT PRESENT**

**Bruno Falkenstein**

**ALSO PRESENT**

**Pamala Prell, Acting City Clerk**

Chairman Milner announced an addition to the Agenda; approval of the Minutes from the October 21, 2010 Meeting.

**APPROVAL OF MINUTES**

**A motion was made to approve the October 21, 2010 Minutes. The motion was seconded and approved by unanimous vote.**

**PAYMENT OF INVOICES**

**A motion was made to approve the Invoices listed on the Agenda. The motion was seconded and approved by unanimous vote.**

**REPORTS**

The Bogdahn Group – Tim Nash presented their Quarterly Report. Overall it was a good Quarter. No recommendations for change and they expect Brown to get the agreement done and move the portfolio some time in the next couple of weeks getting it over from Index Fund to Brown and move forward.

Salem Trust Company – Lynn Skinner presented their Quarterly Report. Ms. Skinner advised that she will need a letter from the Board authorizing them to work with Brown. They have contacted her and she explained that she could not release any information until she receives authorization from the Board.

Ms. Skinner advised the Board that they can now obtain their quarterly and annual statements on line. Chairman Milner agreed that will work. Statements will also be mailed out in addition to the information furnished on line. It was agreed by the Board that all members will have internet access to look at the account and in addition will receive quarterly reports by mail.

Ms. Skinner and the Board agreed that the investment managers will send their bills to Salem Trust, they will pay the invoice and then send the Board a copy of the paid statement. However, they will need a letter from the Board authorizing them to pay the invoices. They will not be responsible to see that the invoice is correct, that still lies with the Board.

Mr. Dehner advised the Board that there is a provision in their rules that if payments are pursuant to contractual relationships, the bills can be paid in the interim period between Meetings so long as they come back to the Board for review and ratification.

The Board agreed that all recurring bills should go to Salem Trust for payment. Ms. Skinner offered to prepare a letter to that effect for the signature of the Board.

Foster & Foster – Chairman Milner talked to Patrick Donlon; after looking more closely at the Actuary Report, he realized there was a mistake in the amount of participants in the Plan, so Mr. Donlon corrected that and sent them new reports which the Board has in front of them. Mr. Donlon asked that the Board approve the new Report because that's the one that has to go to the State.

**A motion was made to approve the amended, revised Yearly Report from Foster & Foster. The motion was seconded and approved by unanimous vote.**

Christiansen & Dehner, P.A. – Lee Dehner reported that the Health Care Enhancement for Public Servants bill is still pending with the Ways & Means Committee.

All of the pending Bills in the Legislature are the same that were discussed last year. If there are any new proposals, Mr. Dehner will notify the Board and recommend a Special Meeting to discuss them.

## OTHER BUSINESS

Discussion of Commission Resolution 2010-31 – Chairman Milner explained that the Commission passed a Resolution last year where they are requesting the Police and Fire Boards to lower the assumption accrual rate from 8.5% to 8.%. He called the Commissioners in the hopes of discussing this with them but only heard back from one of them. Mr. Milner's question to them was is this something they were requesting the Boards to do or were they requesting the Board to get the information so they could make sure this is what they wanted to do. Not hearing from all of them. Mr. Milner feels more likely to start the process and request the information from Foster & Foster on just what the actual change in funding is going to be by reducing it to the 8% they requested. In addition, he would like to include 8 ¼% and 7 ¾ %.

Mr. Milner is bringing this matter to the Board for their approval, since everything they ask Foster & Foster to do will cost the Plan a fee.

At the same time, Mr. Dehner suggested asking Foster & Foster if they would recommend amending their 10-01-10 Report or do it beginning with the 10-01-11 Report; just get their opinion.

**A motion was made to request Foster & Foster to prepare an Actuarial Report with the figures of 7¾%, 8% and 8¼% and also advise how it will affect the liability of the Plan; further to obtain Patrick Donlon's opinion that if the change is going to be made, should they amend the 10-01-10 Report or implement the change on 10-01-11. The motion was seconded and approved by unanimous vote.**

Discussion of changes to the D.R.O.P. Plan – Chairman Milner explained that there is considerable controversy involving the D.R.O.P. Plan and the biggest concern is the fixed interest rate on the D.R.O.P. accounts; he has spoken to several of the members to get an idea how people feel and most people would rather see a minor change done in order to keep the Plan rather than just eliminate it. When the Plan was put into place, they used the 7½% for the fixed primarily because they were using the 8½% for the assumption and the fact that they are talking about lowering the assumption, he would like to see the Board draw up something to lower the fixed rate. Looking back on a five or seven year portion of the Plan, in Chairman Milner's opinion, a more realistic figure is probably 5 to 5½%.

Chairman Milner proposed that they lower the fixed percentage from 7½% to possibly 5% for anyone who enters the D.R.O.P. Plan from the effective date of the change.

After discussion and advice from Mr. Dehner, it was decided that the proposed lower interest rate would be presented to the members of the Plan first, obtain approval from the Union, and then present it to the Commission for their approval and entry of an Amended Ordinance.

**A motion was made to take a vote of the members currently in the Plan to find out of they support a change in the fixed rate from the current rate to 5%, pending an affirmative vote of the members, the Board will contact Mr. Dehner to prepare an Ordinance to be presented to the Commission. The motion was seconded and approved by unanimous vote.**

Discussion of Development of a Share Plan – Mr. Handoga stated that a lot of the members have approached him about the Plan; when is the Board going to do something with it. Currently they have a large excess reserve in their State money, approximately $200,000, and he would like to move forward with getting that developed.

Mr. Handoga suggested that all contributing members, as of a date certain, share in the Plan. He believes Foster & Foster could track that in their Report and thought September 30$^{0th}$ would be a logical date. If you are a contributing member on September 30$^{th}$, then that member would share in the excess money that was received in that year. If a member retires before September 30$^{th}$, then he/she gives up their share for that year. Along with that, if a member is hired on July 1$^{st}$ (as an example) and is a contributing member on September 30$^{th}$, then that member would be included for that year.

Mr. Dehner advised the Board that the same rules apply as would apply to any lump sum distribution and are subject to tax.

Once the membership decides how the Plan would be distributed, Mr. Dehner will draw up an initial draft. It was agreed that the Board would get their thoughts from the membership and bring to the next Meeting.

Mr. Dehner was asked if the Trustees put together a Plan, then presented it to the membership, would that be better than just asking for their input and getting twenty or more suggestions. It was agreed that would be the best way to approach it.

It was decided that they would include members who were active at the time there was an excess of funds, whether or not they are now retired and/or in the D.R.O.P. Plan. Also a member must be 100% vested, 10 years or normal retirement age, to get their share. If a member is terminated, keep it the same as the Plan; if you leave after 10 years vested but younger than retirement age, then that member couldn't collect their money until they reach 55 years of age. Also, a member must take retirement benefits in order to receive funds in the Share Plan. Same applies with a member in the D.R.O.P. Plan, you wouldn't be eligible for those funds until you've completed your D.R.O.P. Plan and terminated employment.

After further discussion, it was agreed that money will be distributed at termination if fully vested or of retirement age (55).

It was agreed that if a member leaves before they are vested and they have accrued x amount of dollars, the year that they leave the money goes back into the Plan and is distributed at the end of the year on the September 30th date.

There was discussion regarding how Clearwater Police Department handles their Plan and Mr. Dehner said it was quite complicated however, they may contact them to "pick their brain" about certain aspects of the Plan.

Mr. Handoga proceeded to go over his notes with the Board to see if they need direction from Mr. Dehner in certain areas.

Active members, at the time of the access money comes in from the State, will equally split it.

The money is to be distributed at termination, either in a lump sum distribution or whatever the member wants.

If a member leaves before vesting, the money is equally distributed among members who are current Plan members on September 30th.

If a member leaves due to a disability and his share is vested or is eligible for normal retirement, the member will be entitled to his share of the Plan as of September 30th.

Mr. Dehner added that if a member works beyond the fiscal year, they do not receive a prorated portion.

Mr. Handoga will circulate a survey to get a general consensus from the members and once it is drafted, Mr. Dehner suggested they distribute it to everybody and then vote on it.

Chairman Milner asked for audience comments; hearing none, he asked for a motion.

**A motion was made to adjourn the Meeting. The motion was seconded and approved by unanimous vote.**

Pamala Prell

Pamala Prell, Acting City Clerk

Phil Milner, Chairman

Minutes approved on: 9-15-11