

# ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes of Meeting Held January 15, 2015

*Chairman Ronald Parrish called the meeting to order at 2:01 PM.*

*Those persons present included:*

## TRUSTEES PRESENT

*Ronald Parrish  
George (Buddy) Emerson  
Anthony (Tony) Napolitano  
Ignatius (Nate) Spera  
Paul Raymond*

## OTHERS PRESENT

*Denise McNeill & Kerry Dutton; Resource Centers  
Bonni Jensen; Law Office Bonni Jensen  
Dana Beach  
Ron Rowars (Attorney for Dana Beach)  
Court Reporter (Requested by Dana Beach)  
Several Members of the Plan*

## PUBLIC COMMENTARY

*There were no public comments at this time.*

## MINUTES

*Minutes were presented to the Trustees for the August and November 20, 2014 meetings.*

- **Anthony Napolitano made a motion to approve the August and November 2014 minutes as presented. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.**

## DISBURSEMENTS

*The disbursement listing and financial statements were presented to the Board in their meeting packets. Denise McNeill reviewed the list that included several DROP withdrawal requests for members who are separating from service.*

- **Nate Spera made a motion to approve the Disbursements for January 15, 2015 as presented. The motion received a second from Paul Raymond and was approved by the Trustees 5-0.**

## ATTORNEY REPORT (BONNI JENSEN)

*Special Tax Notice: Bonni Jensen briefly explained to the Board the Special Tax Notice has been amended to include Roth plans and roll overs into Roth plans. She recommended the administrator use the new Safe Harbor document for all refund of contributions, rollovers, and lump sum distributions. The Board acknowledged the new document will be used.*

*Senate Bill 172 & 242: Bonni Jensen explained that two new bills have been filed. She explained SB 242 proposes that all governmental pension plans use the same mortality tables used by FRS for their valuations and calculations. She explained they have three tables that are blended and the change could cost the Plan money if it passes. She noted most actuaries feel the change would be problematic for pension plan reporting. Mrs. Jensen then reported on SB 172 which includes the same changes to 175 and 185 from the prior session. She explained it is an attempt to change how the 175 and 185 funds are used. She reported the Florida League was previously in favor; however she understands they are*

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currently opposing the Bill. She will provide more information at the next meeting; however she expects the Bills to change throughout the legislative session.

Drop Discussion: Bonni Jensen then addressed recent information released from the IRS regarding DROP accounts. In 2013 the IRS had taken the position that DROP plans are defined contribution (DC) plans and wanted the Plan to limit the plan benefits based upon DC rules limits. The position has been largely reversed advising that the monthly defined benefit (DB) benefits which are credited to the DROP are not "annual additions" subject to contribution limitations. Most DROP plans will be able to continue operating in the same way they have operated in the past.

## **OLD BUSINESS**

Great Lakes Litigation: Bonni Jensen reported on the Great Lakes litigation filed by Scott and Scott explaining they have arrived at a settlement inclusive of fees and costs. She reviewed the memo from Scott & Scott dated January 5<sup>th</sup> with the details regarding the matter and it was noted their recommendation to the Board was to formally approve the settlement.

- **Buddy Emerson made a motion to approve the settlement as presented. The motion received a second from Nate Spera and was approved by the Trustees 5-0.**

## **NEW BUSINESS**

Buyback Process: Attorney Ron Rowars appeared before the Board in representation of Dana Beach. He addressed the service time previously purchased by Mr. Beach which he believes should have included both pension and 175 supplemental benefits. Mr. Beach had applied to purchase the service in 2008 and the Plan adopted their policy separating the purchase cost in 2009; therefore they feel Mr. Beach's purchase of service should be inclusive of the 175 benefit. Mrs. McNeill explained that Mr. Beach had brought this matter to her attention and upon further review, she did find where HR had clearly documented that three of Mr. Beach's years of service purchase did include the 175 supplemental benefits; however it was documented that one year was not included in the purchased time. Mr. Rowars explained that it is his belief no procedure was in place at the time of Mr. Beach's application therefore the change in 2009 does not apply to him. Lengthy discussion followed with the attorney and trustees who were involved with the Board during that time and all noted they do not remember when the change for the choice came into play. It was noted that retiree and prior trustee, Chris Bushman, had written a letter to the Board regarding the matter and the letter had been included in the Trustee packets for review. The Trustees discussed that they will need the administrator to go back and review the records from 2008 and 2009 to research further. Buddy Emerson explained he was unaware until he had read the letter from Chris Bushman that prior to separating from the City of Ft. Pierce, purchased time included the 175 supplemental. Mrs. McNeill explained the 175 supplemental recalculation request was being sent to the actuary requesting the inclusion of the three years of service purchase. The matter regarding the final year was tabled until the next meeting allowing for further research to be done.

Trustee Appointment (Fifth Seat): Denise McNeill explained the Fifth Seat, currently held by Anthony Napolitano, had expired. Mr. Napolitano expressed his desire to remain on the Board and requested the Board consider reappointing him to the seat.

- **Nate Spera made a motion to reappoint Anthony Napolitano to the Fifth Seat. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.**

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## **ADMINISTRATOR REPORT**

**BENEFIT APPROVALS:** A benefit approval was presented for Sonny Walls (DROP), Bruce Stanford (175), James Kelly (175), Anthony Liento (175), John Edmondson (175), James Vaughn (175) and Lloyd Bowden (beneficiary change).

- **Tony Napolitano made a motion to approve the pension benefits as presented. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.**

*There being no further business to discuss and the next regular meeting having previously been scheduled for March 19, 2015 at 2:00 p.m.*

- **Nate Spera made a motion to adjourn at 3:30 PM. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.**

*Respectfully submitted,*

*Ronald Parrish, Chairman*