

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
CHAPTER 175 SUPPLEMENTAL FIREFIGHTERS' PENSION TRUST FUND
MINUTES OF MEETING HELD**

April 7, 2004

Sergeant Tony Hurtado called a joint meeting of the Board of Trustees of the City of Ft. Pierce Police Officers' Retirement Fund and Chapter 175 Supplemental Firefighters' Pension Trust Fund to order on April 7, 2004 at 10:05 A.M.

TRUSTEES PRESENT

POLICE SUPPLEMENTAL FUND

Antonio Hurtado
Brian Humm
Gloria Johnson

FIRE SUPPLEMENTAL FUND

Chris Bushman
Ron Parrish
Mike Baumgardner
Paul Raymond

OTHERS PRESENT

Johnathan Ferguson, Smith, Schuster & Russell, P.A.
Nick Schiess, Pension Resource Center
Janey Singer, City of Ft. Pierce
Steve Palmquist, Gabriel, Roeder & Smith

MINUTES

The Trustees reviewed the minutes for the meeting of the Police Officers' Retirement Trust Fund on February 18, 2004. A motion was made, seconded, and unanimously carried to approve the minutes of February 18, 2004.

DISCUSSION ON MINIMUM BENEFITS

Steve Palmquist appeared before the Board to discuss the Chapter 175 and Chapter 185 minimum benefits not provided by the Supplemental Fire Plan and Supplemental Police Plan. He provided the Board with list of these minimum benefits and then discussed each benefit and deficiencies for both Plans as compared to the statutory requirements. It was noted that the State provided funding for minimum benefits in Statute 99-1, which stipulates that State contributions in excess of those received in 1998 would accumulate into a reserve account until there is sufficient funding for minimum benefits. It was further noted that the excess must be spent first on minimum benefits before using these funds for the purchase of other additional benefits.

It was noted the State Division of Retirement would allow the minimum benefits to be provided in either the City Retirement and Benefit System or the Supplemental 175 and 185 Plans. Mr. Palmquist discussed the cost of funding the minimum benefits for both

Plans noting that the least costly method would be to amend the City Retirement and Benefit System instead of providing the benefits directly through the respective Supplemental 175 and 185 Plans. It was noted that while the benefits could be provided by the City Retirement and Benefit System, the funding for the benefits would be provided as yearly disbursements from the Supplemental 175 and 185 Plans and therefore be cost-neutral for the City. A question arose as to whether the amount of the yearly State distribution could fluctuate and therefore cause a deficit in the funding of the minimum benefits. Mr. Palmquist noted that the State distribution of Chapter 175 and 185 funds were directly tied to premium tax revenues and subject to any fluctuations in these revenues.

He discussed the current amount of excess reserve that could be used to fund the minimum benefits. He stated that he excess reserve was \$409,000 for the Supplemental Fire Plan and \$90,000 for the Supplemental Police Plan. Mr. Palmquist anticipated the excess reserve balance was sufficient to fund all the minimum benefits listed for both Plans if provided by amending the City Retirement and Benefit System but not the individual Supplemental 175 and 185 Plans. He agreed to perform a cost study of these benefits.

A lengthy discussion ensued with regards to the implementation of the minimum benefits. The Trustees of both Supplemental Plans agreed to propose to the City Retirement and Benefit System that the minimum benefits be provided within that Plan and the funding be provided with yearly disbursements from the Supplemental 175 and 185 Plans. The Trustees decided that prior to the presentation of the proposal to the City Retirement and Benefit System, a meeting be scheduled between one union representative of the respective Plans, Steve Palmquist, Johnathan Ferguson, and George Bergalis of the City to further discuss the matter. The meeting was scheduled for immediately following the joint meeting of the Supplemental 175 and 185 Plans on April 7, 2004. There being no further business, the meeting was adjourned at 10:55 A.M.

Respectfully submitted,

Secretary