

# City of Palm Coast Volunteer Firefighter's Program Pension Reserve Project

Finance Department

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# Presentation Outline

- Volunteer Firefighter Program
- Volunteer Firefighters Pension
  - History
  - Roles
  - Current Plan Status
  - Pension Reserve Project
- Next Steps



# Volunteer Firefighter Program

- **Receive similar training and testing as an entry level paid firefighter**
- **“Stand in” for paid firefighters out on calls**
  - **Will respond directly to calls for service**
  - **Specific engines & equipment assigned**
  - **Supplement many of the same duties as paid firefighters**
- **In addition to pages calls:**
  - **Participate in special events**
  - **Provide administrative support**



# Volunteer Firefighter Program

- **Respond to calls and perform duties in place of paid employees**
- **Approximately 12,000 volunteer hours accumulated supporting emergency services during 2014**
  - **Equivalent of 3 paid entry level positions**
  - **Conservative Savings of \$185,000 annually**
  - **Does not include administrative, training or special events hours**



# Pension Plan History

## **2002** City Council approves participation in the State Property Insurance Premium Tax Program

- State Rate of 1.85% on Insurance Companies
- State restricted for funding of pension benefits for Firefighters

## **2005** City of Palm Coast Volunteer Firefighters Pension Plan Established

- Established Board of Trustees
- Established Retirement Qualifications
  - LOSAP (Length of Service Award Pension Program)
  - Establish Pension Eligibility
  - Monthly Benefit Amount - \$35 per year of credited service



# Pension Plan History

## **2009** City of Palm Coast Volunteer Firefighters Pension Plan Revised

- Increased monthly benefit amount from \$35.00 to \$50.00 per year of credited service

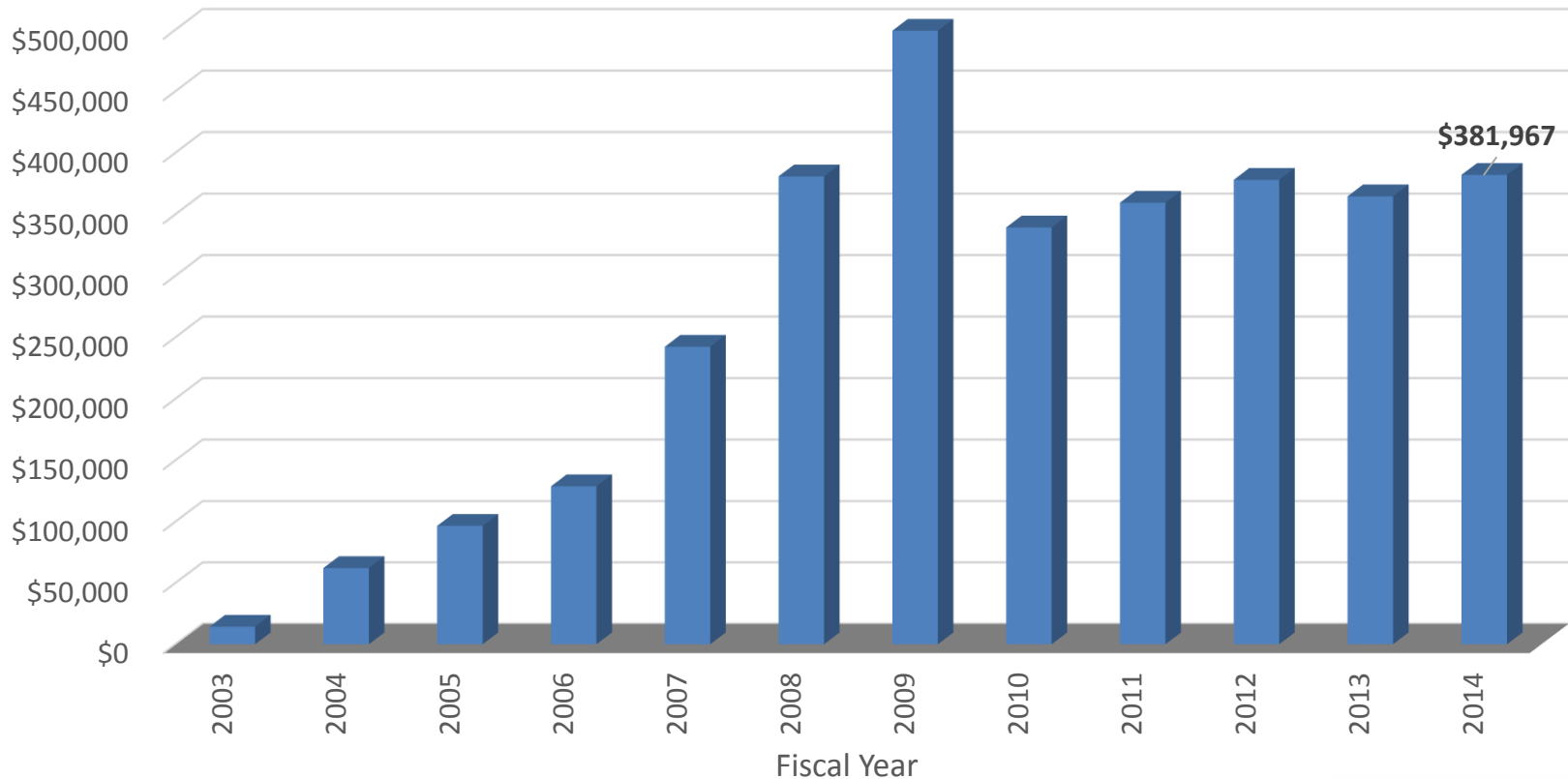
## **2011** City of Palm Coast Volunteer Firefighters Pension Plan Revised

- Increased monthly benefit amount from \$50.00 to \$65.00 per year of credited service



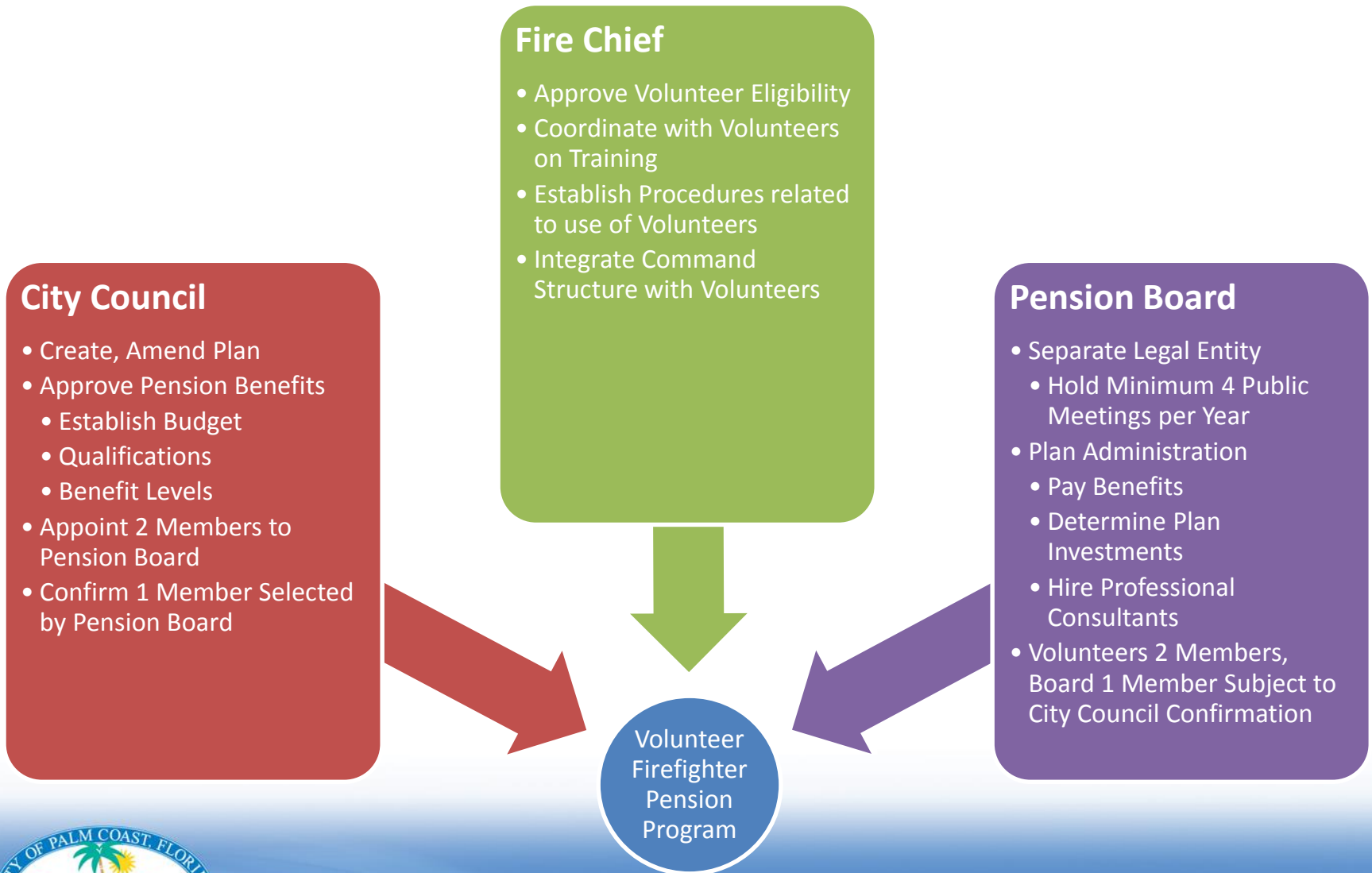
# State Collected Premium History

## Premium Tax Receipts



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# Program Roles





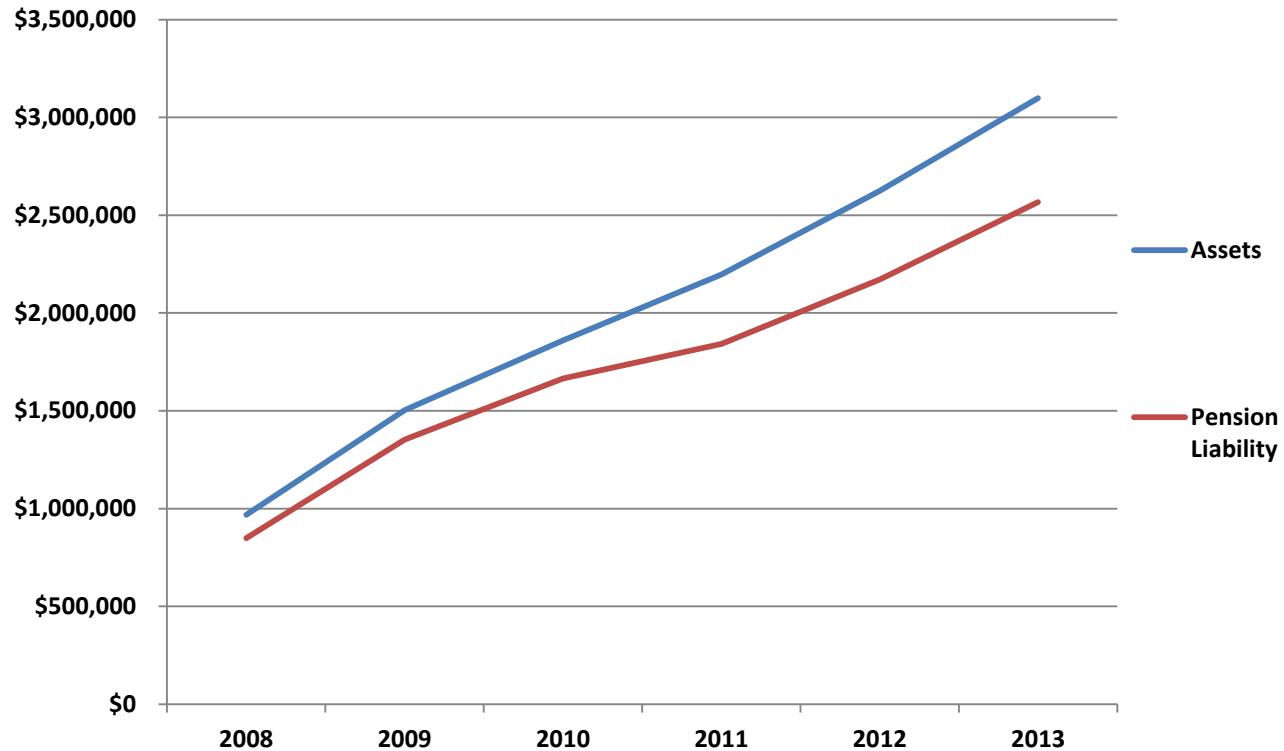
# Current Plan Status Annually



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# Current Plan Status

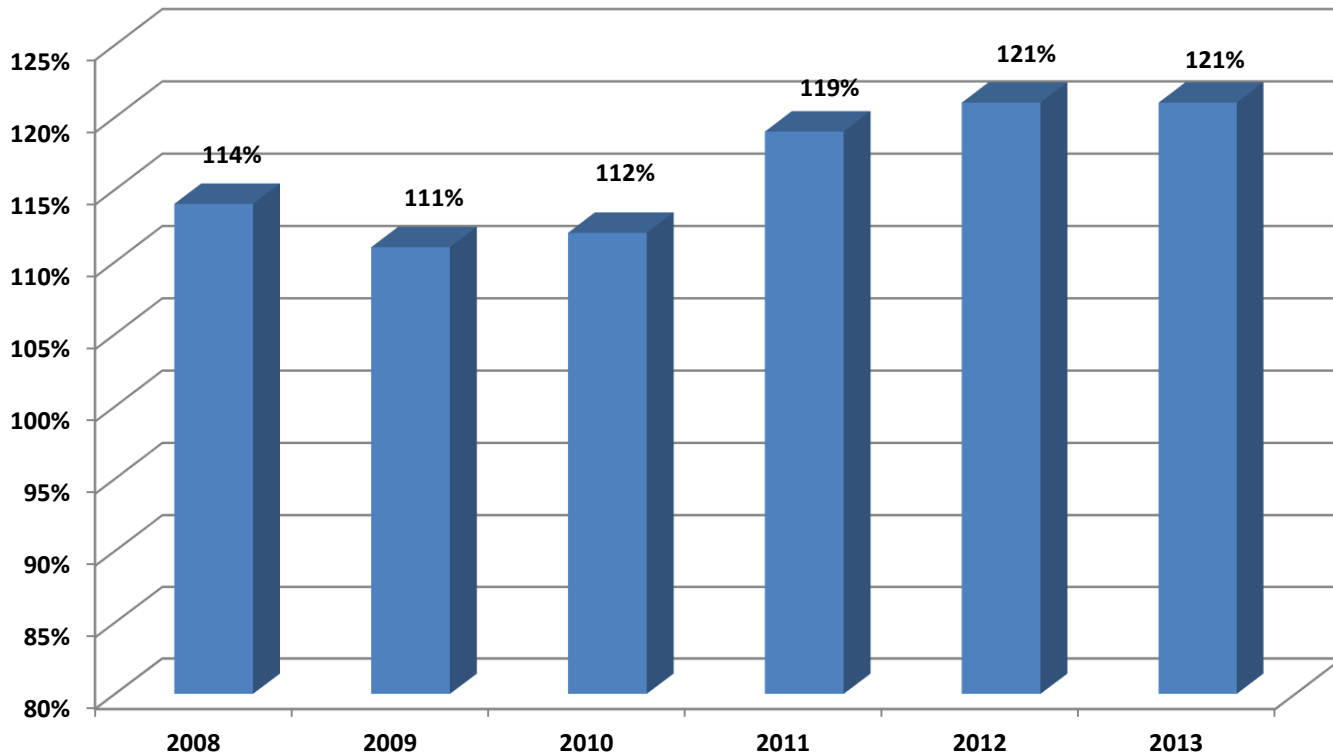
## Plan Funding



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# Current Plan Status

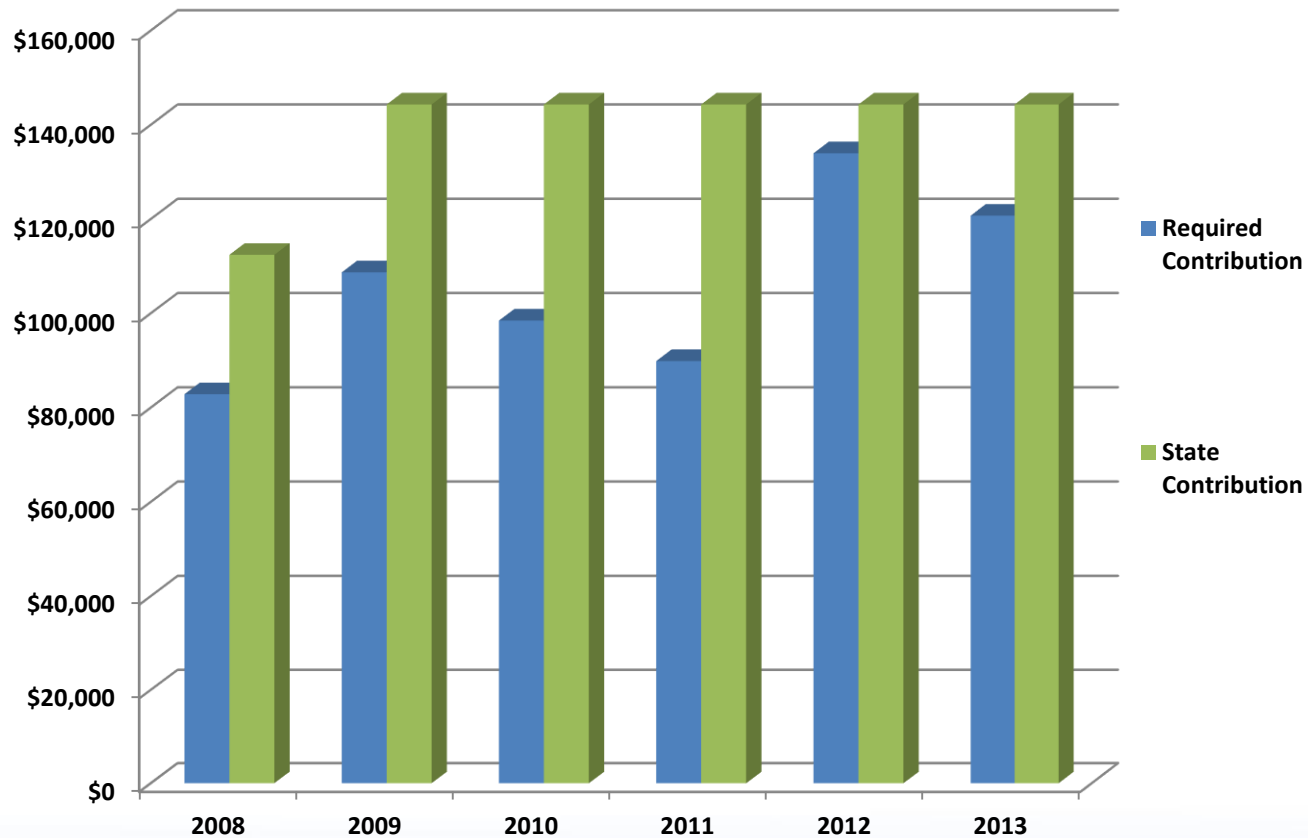
## Funded Ratio



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# Current Plan Status

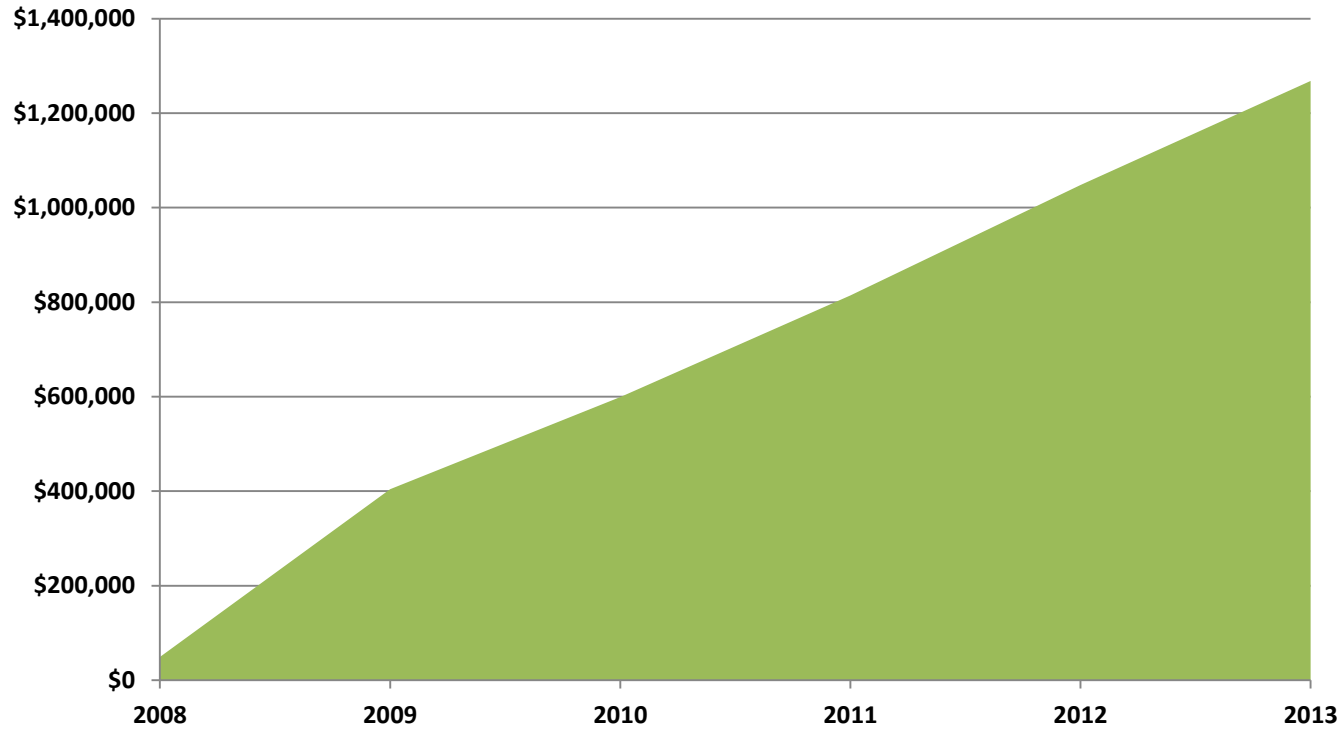
## Required Contributions



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# Current Plan Status

## Reserve for Pension Benefits



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# Pension Reserve Project

## **State Requirement to Distribute Accumulated Reserves as Pension Benefit**

### Goals in Meeting State Requirement

- No increased potential liability to the City
- Comply with IRS Regulations
- Comply with State Pension Statutes



# Pension Reserve Project

## Share Plan Concept

- Hold approximately \$250,000 in permanent reserve
- Distribute accumulated reserves above the permanent reserve as pension benefit consistent with State requirements
  - Active volunteers and retirees eligible
  - Estimated at \$4,000 per year of service
- Any future accumulated reserves above the permanent reserve only distributed to active volunteers



# Pension Reserve Project

## Share Plan Concept meets the State Requirement and City Goals

- ☑ Provides Accumulated Reserves as Pension Benefit
- ☑ No Increased Potential Liability to the City
  - ☑ Establishes \$250,000 Permanent Reserve
  - ☑ Enhanced Benefits only if Funds Available
- ☑ Comply with IRS Regulations
- ☑ Comply with State Pension Statutes





# Next Steps

- Draft Ordinance with Share Plan Concept
- Revise Ordinance for IRS Compliance
  - IRS Private Letter Ruling Received 11/7/2014
- Revise Ordinance for Changes in State Statutes
- Adoption of Revised Ordinance

