

TOWN OF DAVIE POLICE EMPLOYEES'
PENSION PLAN
MINUTES
January 11, 2011

The regular meeting of the Board of Trustees of the Town of Davie Police Employees Pension Plan was called to order by Chairman Brilliant January 11, 2011 at 5:00 p.m. at Town of Davie Police Department at 1230 South Nob Hill Road in Davie, FL.

TRUSTEES PRESENT:

Chairman Greg Brilliant, Trustee Edward J. Taylor, Trustee Jack Mackie, Trustee Larry Davis, Trustee Thomas DiMeglio

ABSENT AND EXCUSED:

OTHERS PRESENT:

Fund Attorney Adam Levinson, Don DuLaney of DuLaney and Company, Clement Johns of GSK, Member Police Officer, and Pete Prior of Benefits USA

APPROVAL OF MINUTES:

December 14, 2010 Meeting Minutes

Trustee Taylor moved to approve the December 14, 2010 meeting minutes as amended and Trustee Davis seconded the motion and it passed 5-0.

CONSENT AGENDA FOR APPROVAL: Warrant #147 \$26,922.56

Trustee Taylor had a question regarding the invoice for Attorney Levinson. Attorney Levinson said if there any names that are not familiar he would review and advise the Trustees. Trustee Taylor asked about Furlong. Attorney Levinson noted that she is with Benefits USA and he spoke with her about the insurance policy, which has been provided by Benefits USA. Trustee Davis moved to approve the consent agenda. Trustee Taylor seconded the motion and the motion passed 5-0.

NEW BUSINESS:

Chairman Brilliant addressed the Board that a member of the department is present and has a question regarding the DROP and the amount of time one can participate in the DROP once an employee reaches 20 years of service. Chairman Brilliant noted that the ordinance does not reflect correctly the deal the Town made with the police union as it pertains to the DROP. Attorney Levinson noted that he will have to adjust the information presented to the Trustees. Attorney Levinson suggested he speak with the Chairman tomorrow and the Town clarifying exactly the correct language. Chairman

Brillant asked Attorney Levinson how the Board is going to address the issue for the Police Officer as he would like to enter the DROP on February 1, 2011. Attorney Levinson said he would draft a letter and forward to Benefits USA for distribution for any member regarding the eligibility of members utilizing the five years of DROP. Trustee DiMeglio moved to have the attorney draft the letter to Benefits USA outlining the requirements for the DROP as per the Collective Bargaining Agreement. Trustee Mackie seconded the motion and the motion passed.

Attorney Levinson additionally reported on the letter sent to Mr. Ackerman regarding permissive service credit, which is attached to the ordinance defining the benefit. A Police member asked a question about the front loading of the DROP and asked about the \$49,000 contribution to the DROP; is this before or after tax. Trustee Taylor noted that the total amount that can go into the DROP is \$49,000 and it is dependent on the employee how they arrive at the maximum amount.

CONFERENCES FOR 2011

Trustee Taylor spoke on the conferences for next year, IFEBP, NCPERS, FPPTA and the Klausner Conference in March. It was noted that the CAPP program is in Chicago. The Trustees discussed at length the different educational venues available to them for the upcoming year and which venue to attend. Chairman Brillant reminded the Trustees of their attendance and the costs associated with them and the appearances the public may perceive and suggests diligence in their decisions to attend venues that would be beneficial to the plan.

GSK AUDIT

Clement Johns provide the Trustees with a draft of the audit noting that they are providing a clean audit according to the Governmental Accounting Standards Board. Mr. Johns noted that the Fund's funded ratios changed from 78.9% in 2007 to 67.8% funded. Mr. Johns said the lower funding ratio is strictly a result of the previous markets. Liabilities increased 22.3% or \$729,249 due primarily to an increase in the DROP payable. For the fiscal year ended September 30, 2010, Town contribution to the Fund increased by 10.3% or \$515,284. Mr. Johns reported that the Fund's total investment income for 2010 was \$6,718, 200 versus 2009 of \$2, 239,719. The beginning balance of the Fund for 2010 was \$60, 626,412 and at the end of the year \$69, 392,105. Total participants in the plan for 2009 were 241 versus 233 for 2008.

Mr. Johns noted that there were no issues with internal controls and the plan is in compliance. He also noted is the state report is complete and with the signature from the chairman, will be forwarded to the state. Trustee Taylor moved to approve the audit as presented. Trustee Mackie seconded the motion and the motion passed 5-0.

UNFINISHED BUSINESS:

Regarding the Fiduciary Policy for the Board, Trustee Davis asked to have the increase in the coverage to take place immediately and not wait until the policy expires in August.

The Board discussed this briefly and Trustee Davis moved to have the policy increase immediately and it was seconded by Trustee Taylor. The motion passed 5-0.

ACTUARY REPORT:

Mr. DuLaney provided the Trustees with the cost factors to comply with the minimum benefits per the request from the State regarding the Tier 2 implementation. Mr. DuLaney reported that:

Increasing overtime from 150 hours to 300 hours at an annual cost of \$163, 000;

Reducing the retirement reduction factor from the actuarial equivalent to 3.0% at an annual cost of \$142,800;

Providing minimum non service connected disability for 10 year certain and life of the greater of accrued benefit or 25% of average monthly compensation at an annual cost of \$16,000;

Providing minimum service connected disability benefit for 10 years certain or life of the greater accrued benefit or 42% of average monthly compensation at an annual cost of \$8,300.

Chairman Brilliant noted that there is only \$182,273 and the town would like use all of it to offset the \$300,000 plus needed to Fund the minimum and the state approving the Tier 2. Attorney Levinson noted that the issue regarding overtime included for pension purposes, the 300 hours is effective prospectively and not retroactively. Attorney Levinson noted that they will be meeting with Human Resources tomorrow and with the Board approval will provide the impact statement to the town.

Mr. DuLaney noted that the payout for Mr. Kilpatrick is \$366,000. Trustee Taylor has concerns that the pension is paying for benefits for an employee that is not a sworn police officer. Attorney Levinson reported that on several occasions, he provided an oral opinion that the settlement agreement is between the town and the employee and if the town agrees to the settlement and the costs, legally Klausner & Kaufman does not have an issue with the settlement.

ATTORNEY REPORT:

The attorney report was provided throughout the meeting on several issues noted in the minutes.

ADMINISTRATOR REPORT:

Mr. Prior reported on the FPPTA attending a press conference on behalf of the State AFL/CIO in Tallahassee regarding pending legislation. The press conference was picked up by several local television stations and broadcasted here locally. Mr. Prior reminded the Trustees of the upcoming school in St. Augustine.

CHAIRMAN'S REPORT:

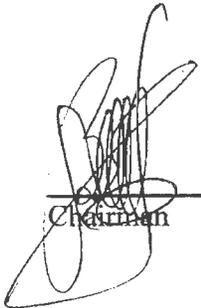
Chairman Brillant noted that he did not have anything further for the Board at this time.

NEXT MEETING DATE:

February 8, 2011 @5:00pm

ADJOURNMENT:

Trustee Taylor moved to adjourn the meeting and Trustee DiMeglio seconded the motion and it passed 5-0 the meeting was duly adjourned at 7:05 p.m.



Chairman