

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

July 10, 2012
5:00 P.M.

The regular meeting of the Board of Trustees of the Town of Davie Police Pension was called to order on behalf of the Board by the Plan Administrator Dave Williams on July 10, 2012 at 5:02 p.m. at the Town of Davie Police Department, 1230 South Nob Hill Road in Davie, Florida

TRUSTEES PRESENT:

Mr. Jack Mackie, Board Trustee, Mr. Thomas DiMeglio, Board Trustee and Mr. Ed Taylor, Board Trustee.

Mr. Greg Brilliant, Chairman and Mr. Larry Davis, Secretary – excused absence.

The Board had a quorum to conduct an official meeting.

OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney, - Klausner, Kaufman, Jensen & Levinson; Mr. Don Dulaney - Don Dulaney & Company; Mr. Dave Williams and Mrs. Patty Ostrander – Precision Pension Administration, Inc.

Motion by Mr. DiMeglio to appoint Mr. Ed Taylor as Chairman, seconded by Mr. Mackie. Motion passed 3-0.

CONSENT AGENDA FOR APPROVAL:

WARRANT 265:

This Warrant is for State Street Global Advisors for Investment Fees from October 2011 – December 2011. The amount for this warrant is \$1,922.69. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 3-0.

WARRANT 266:

This Warrant is for Charlotte Velazquez for a Return of Contribution. The amount for this warrant is \$26,505.22. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 3-0.

WARRANT 267:

This Warrant is for Dahab & Associates for Professional Services from April 2012 – June 2012. The amount for this warrant is \$8,750.00. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 3-0.

WARRANT 268:

This Warrant is for Klausner, Kaufman, Jensen & Levinson for legal services through June 28, 2012. The amount for this warrant is \$720.00. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 3-0.

WARRANT 269:

This Warrant is for Dulaney & Company, Inc. for Actuarial Services through June 2012. The amount for this warrant is \$3,306.25. Mr. Mackie made a motion to approve this warrant. Mr. DiMeglio seconded this motion. The motion passed 3-0.

WARRANT 270:

This Warrant is for Lawrence Davis for 2013 CPPT NYSE Registration Reimbursement. The amount for this warrant is \$600.00. Mr. DiMeglio made a motion to approve this warrant. Mr. Taylor seconded this motion. The motion passed 3-0.

WARRANT 271:

This Warrant is for Ed Taylor for 2013 CPPT NYSE Registration Reimbursement. The amount for this warrant is \$600.00. Mr. Mackie made a motion to approve this warrant. Mr. DiMeglio seconded this motion. The motion passed 3-0.

WARRANT 272:

This Warrant is for Precision Pension Administration. for the March 2012 Newsletter. The amount for this warrant is \$550.00. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 3-0.

WARRANT 273:

This Warrant is for Rhumblin Advisors for Investment Advisory Fees for the 2nd quarter. The amount for this warrant is \$1,590.00. Mr. Mackie made a motion to approve this warrant. Mr. DiMeglio seconded this motion. The motion passed 3-0.

WARRANT 274:

This Warrant is for Jack Mackie for FPPTA Conference Reimbursement. The amount for this warrant is \$887.43. Mr. DiMeglio made a motion to approve this warrant. Mr. Taylor seconded this motion. The motion passed 3-0.

WARRANT 275:

This Warrant is for Jack Mackie for Reimbursement to mail his Financial Interest Form. The amount for this warrant is \$5.75. Mr. DiMeglio made a motion to approve this warrant. Mr. Taylor seconded this motion. The motion passed 3-0.

WARRANT 276:

This Warrant is for Thomas DiMeglio for FPPTA Conference Reimbursement. The amount for this warrant is \$534.84. Mr. Mackie made a motion to approve this warrant. Mr. Taylor seconded this motion. The motion passed 3-0.

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the June 12, 2012 meeting. Mr. Williams asked if there were any changes required to the minutes of the June 12, 2012 meeting. Mr. Dulaney provided his comments which were duly noted by Mr. Williams. Mr. Mackie made a motion to approve the June 12, 2012 meeting minutes as amended. Mr. DiMeglio seconded the motion. The motion passed 3-0.

NEW BUSINESS:

None

ATTORNEY REPORT:

Mr. Levinson presented an amendment to the Administrative Rule relating to buybacks and the purchase of permissive service credit. The changes were proposed to curtail fees being incurred for actuarial services. In short the rule outlines that members would be entitled to one actuarial calculation at no cost for buybacks, the purchase of permissive service credit or for divorce proceedings. Additionally, the final retirement calculation would be provided at no expense to the member. If members required additional actuarial calculations, the fee would be borne by the member not the plan. The Trustees agreed in consensus, but elected to table the matter so the entire Board may consider the foregoing.

Mr. Levinson advised that NCPERS filed a written brief with regard to the FRS case.

Mr. Levinson advised that his firm has 10+ plans that will partake in the Attorney General's Opinion of HB401.

ACTUARY:

Mr. Levinson advised that he has had several conversations with Mr. Brillant regarding the assumption rate. The Town Manager asked the Board to consider maintaining the current rate of 7.9%. Mr. Levinson indicated that Mr. Brillant is comfortable with

working with the Town as he believes the current rate is reasonable. Mr. Dulaney agreed that the change was not required at this juncture. Mr. Levinson stated for the record that the Board is not relinquishing jurisdiction in this matter, and may consider the change next year. Mr. Mackie recommends that we retain the current assumed rate of return for the year. Mr. DiMeglio made a motion to maintain the assumed rate of return of 7.9% for this year's valuation. Mr. Mackie seconded this motion. The motion passed 3-0.

Mr. Dulaney presented the Actuarial Valuation Report based on the 7.9% assumption rate. It was reported that Chapter 185 contributions decreased from \$637,164 to \$611,838. The Actuarial loss was reported to be \$8,315,137. The market value of assets rate of return was valued to be 1.0%, with the actuarial value was -2.6%. The required contribution for the Town of Davie for the period ending September 30, 2012 was valued at \$6,235,508 or 47.9% of active payroll. (This does not include drop members still employed). In comparison to the prior fiscal year, the Town's required contribution was valued at \$5,571,000 or 44.3% of active payroll. The year in question was described as the perfect storm on an actuarial basis, due to the investment loss, salary increases being larger than assumed, and the turnover being less than assumed. All factors the Board of Trustees had no control over. Mr. Mackie made a motion to accept the October 1, 2011 actuarial valuation as presented. Mr. DiMeglio seconded this motion. The motion passed 3-0.

Mr. Dulaney presented a letter outlining Town contributions through July 3, 2012. The letter reflected the balance due to the plan this fiscal year. Motion to submit the letter dated July 10, 2012 by Mr. DiMeglio. Mr. Mackie seconded the motion. The motion passed 3-0.

NEW BUSINESS:

None

PLAN ADMINISTRATOR:

Mr. Williams advised the Board that Mr. Jenkins is making payments to the plan. Mr. Williams will advise the Board if anything changes.

OPEN DISCUSSION:

Mr. Levinson brought up a situation with another Board regarding buybacks. Mr. Levinson asked who tracked the buybacks in this plan in which Mr. Dulaney indicated that his office does. Mr. Levinson suggested that Mr. Dulaney work in conjunction with the administrator and issue a Satisfaction of Buyback letter once a buyback is completed.

Mr. Taylor asked Mr. Levinson to check his files to see if we have the most recent copies of the Administrative Rules.

ADJOURN:

Mr. Mackie made a motion to adjourn the meeting. Mr. DiMeglio seconded the motion. The Motion passed 3-0. The meeting was adjourned at 6:15 p.m.



Greg Brilliant, Chairman