

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

April 09, 2013

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 Bob Dorn on April 09, 2013 at 5:06 p.m. at the Town of Davie Police Department, 1230 South Nob Hill Road in Davie, Florida

TRUSTEES PRESENT:

Mr. Larry Davis – Secretary, Mr. Thomas DiMeglio, Mr. Jack Mackie & Mr. Ed Taylor – Board Trustees.

EXCUSED ABSENCE

Mr. Greg Brilliant - Chairman

OTHERS PRESENT:

Mr. Adam Levinson - Board Attorney; Mr. Don Dulaney – Board Actuary; and Mr. Bob Dorn – Plan Administrator.

It should be noted that there was a quorum for the Board to have an official meeting.

CONSENT / RATIFICATION AGENDA FOR APPROVAL:

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the January 08, 2013 meeting. Mr. Dorn asked if there were any changes required to the minutes. No changes were offered. A Motion was made by Mr. Taylor to approve the minutes. The Motion was seconded by Mr. Mackie. Motion passed 4-0. Mr. Davis signed the approved minutes.

The Board of Trustees reviewed the minutes for the February 12, 2013 meeting. Mr. Dorn asked if there were any changes required to the minutes. Mr. Davis wanted the word equities added to page three, fifth paragraph, first sentence to better clarify the amount Buckhead Capital was under investment in stocks. A Motion was made by Mr. Mackie to approve the minutes with Mr. Davis amendment. The Motion was seconded by Mr. DiMeglio. Motion passed 4-0. Mr. Davis signed the approved minutes.

Warrant 332

This warrant was for payment to Goldstein Schechter Koch regarding progress billing related to the October 01, 2012 Financial Statements in the amount of \$14,750.00. The invoice number was 100448. This warrant was signed by Mr. Brilliant & Mr. DiMeglio on January 16, 2013. Tabled at February meeting.

Warrant 333

This warrant was for payment to Goldstein Schechter Koch regarding progress billing related to the October 01, 2012 Financial Statements in the amount of \$900.00. The

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invoice number was 99445. This warrant was signed by Mr. Brillant and Mr. DiMeglio on January 16, 2013. Tabled at February meeting.

Warrant 334

This warrant was for payment to Goldstein Schechter Koch regarding progress billing related to the October 01, 2012 Financial Statements in the amount of \$2,100.00. The invoice number was 99865. This warrant was signed by Mr. Brillant and Mr. DiMeglio on January 16, 2013. Tabled at February meeting.

Warrant 341

This warrant was for a payment to Retired Member Scott Kiso for a reoccurring monthly retirement payment in the amount of \$4,437.71 effective March 01, 2013. This warrant was signed by Mr. Dorn and Mr. DiMeglio on February 4, 2013.

Warrant 342

This warrant was for a payment to Trustee Ed Taylor for reimbursement at the FPPTA Trustee School in January/2013 in the amount of \$962.89. This warrant was signed by Mr. DiMeglio and Mr. Williams on February 13, 2013.

Warrant 343

This warrant was for a payment to Trustee Trust Jack Mackie for reimbursement at the FPPTA Trustee School in January/2013 in the amount of \$1,046.60. This warrant was signed by Mr. DiMeglio and Mr. Williams on February 13, 2013.

Warrant 344

This warrant was for a payment to Trustee Trust Tom DiMeglio for reimbursement at the FPPTA Trustee School in January/2013 in the amount of \$633.98. This warrant was signed by Mr. Brillant and Mr. Williams on February 13, 2013.

Warrant 345

This warrant was for a payment to Retired Member Scott Kiso a one-time partial lump sum DROP payment in the amount of \$100,000.00. This warrant was signed by Mr. Dorn and Mr. DiMeglio on March 1, 2013.

Warrant 346

This warrant was for a payment to State Street Global Advisors investment fees for the period of 10-01-2012 through 12-31-2012 in the amount of \$2,089.07. The invoice number was SSgABA1471411. This warrant was signed by Mr. DiMeglio and Mr. Williams on February 21, 2013.

Warrant 347

This warrant was for a payment to FPPTA for Trustee Jack Mackie re-certification fees for 2012 in the amount of \$30.00. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 5, 2013.

Warrant 348

This warrant was for a payment to FPPTA for Trustee Ed Taylor re-certification fees for 2012 in the amount of \$30.00. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 5, 2013.

Warrant 349

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This warrant was for a payment to FPPTA for Trustee Larry Davis re-certification fees for 2012 in the amount of \$30.00. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 5, 2013.

Warrant 350

This warrant was for a payment to FPPTA for Trustee Tom DiMeglio re-certification fees for 2012 in the amount of \$30.00. This warrant was signed by Mr. Brilliant and Mr. Williams on March 5, 2013.

Warrant 351

This warrant was for a payment to FPPTA for Trustee Greg Brilliant re-certification fees for 2012 in the amount of \$30.00. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 5, 2013.

All of the aforementioned warrants thus far were ratified by the Board. Mr. Mackie made the Motion to accept these warrants presented & executed before the Board. Mr. Taylor seconded the Motion. The Motion passed 4-0.

Warrant 352

Voided warrant

Warrant 353

This warrant was for a payment to Klausner, Kaufman, Jensen & Levinson for legal services through February 28, 2013 in the amount of \$1,155.75. The invoice number is 14547. There was a discussion on one item in the bill regarding a fee of \$150.00 dollars with a reference to Arrington case. Mr. Levinson advised that this is the case law regarding a member of the plan for military benefits. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 4-0. Mr. Davis and Mr. Taylor executed this warrant.

Warrant 354

This warrant was for a payment to Dulaney & Company, Inc. related to actuarial services rendered through January/2013 in the amount of \$8,575.00. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 8, 2013.

Warrant 355

This warrant was for a payment to Trustee Greg Brilliant for reimbursement expenses for the January/2013 FPPTA Trustee School in the amount of \$667.40. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 12, 2013.

Warrant 356

This warrant was for a payment to Trustee Greg Brilliant for reimbursement expenses for the October/2012 International Foundation of Employee Benefits Conference in the amount of \$1,625.00. This warrant was signed by Mr. DiMeglio and Mr. Williams on March 12, 2013.

Warrant 357

This warrant was for a payment to Trustee Jack Mackie for reimbursement expenses for the October/2012 International Foundation of Employee Benefits Conference in the amount of \$1,625.00. This warrant was signed by Mr. DiMeglio and Mr. Brilliant on March 20, 2013.

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Warrant 358

This warrant was for a payment to Dulaney & Company, Inc related to actuarial services rendered through February/2013 in the amount of \$8,495.00. This warrant was signed by Mr. DiMeglio and Mr. Brillant on March 18, 2013.

Warrant 359

This warrant was for a payment to Trustee Jack Mackie for reimbursement expenses for the March/2013 Klausner Conference in the amount of \$110.40. This warrant was signed by Mr. DiMeglio and Mr. Brillant on March 20, 2013.

Warrants 354 through 359 were ratified by the Board. Mr. Mackie made the Motion to accept these warrants presented and executed before the Board. Mr. Taylor seconded the motion. The Motion passed 4-0.

Warrant 360

This warrant was for a payment to Precision Pension Administration for the December/2012 quarterly newsletter in the amount of \$775.00. The invoice number is 1123. Mr. Taylor made a Motion to approve this warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 4-0. Mr. Davis and Mr. Taylor executed this warrant.

Warrant 361

This warrant is for Florida State University for Trustee Greg Brillant to attend the Police Officers' & Firefighters' Trustee School Program. The amount of this warrant is \$170.00. Mr. Mackie made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 4-0. Mr. Davis and Mr. Taylor executed this warrant.

Warrant 362

This warrant was for a payment to Trustee Lawrence Davis for reimbursement expenses for the March/2013 Klausner Conference in the amount of \$74.97. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 4-0. Mr. DiMeglio and Mr. Taylor executed this warrant.

Warrant 363

This warrant was for a payment to Trustee Lawrence Davis for reimbursement expenses for the January/2013 FPPTA Conference in the amount of \$1,017.20. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 4-0. Mr. DiMeglio and Mr. Taylor executed this warrant.

Warrant 364

This warrant was for a payment to Dahab Associates, Inc. for professional services rendered 01-01-2013 through 03-31-2013 in the amount of \$10,750.00. The invoice number is Davie2013aR. Mr. Mackie made a Motion to approve this warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 4-0. Mr. Davis and Mr. Taylor executed this warrant.

Warrant 365

This warrant was for a payment to Rhumblin Advisors for investment advisory fees for the 1st quarter of 2013 in the amount of \$10,750.00. The invoice number is

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4mdavie2013Q1. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 4-0. Mr. Davis and Mr. Taylor executed this warrant.

OLD BUSINESS:

No old business was discussed.

NEW BUSINESS:

No new business discussed.

ATTORNEY REPORT:

Mr. Levinson submitted to the Board a draft copy of the changes made from the previous meeting on the language changes to the DROP Application and Frequently Asked Questions documents. Mr. Levinson advised that he would like to table this topic for the next meeting and give the Board a little more time to review this. The Board agreed.

Mr. Levinson advised that he would add the "Pertinent Actuarial Information" sheet given to him by Mr. Dulaney to the Town of Davie Police Pension Plan's Summary Plan Description form. The Board agreed.

Mr. Levinson advised that conversations between Nancy Cook, Retiree and Dave Williams, Plan Administrator occurred regarding her inquiry of changing her optional form of retirement. Mr. Levinson advised that the US Supreme Court has not made a ruling as of this time regarding domestic partnership and marriages. Mr. Levinson advised that he would like to discuss this issue once the US Supreme Court has made a ruling and there is a full Board. Mr. Levinson advised that at this time, there is no topic to discuss regarding this matter. Ms. Cook made a selection or should have made this selection prior to entering the DROP. It was learned that Ms. Cook did not have a beneficiary form on file. One has been provided for her to complete and return. Her current form is a Ten Year Certain. The Board agreed to discuss this matter in the future.

Mr. Levinson advised that he would have a legislative update at the next meeting regarding some possible changes the State may be making to the FRS and local retirement plans.

ACTUARY:

Mr. Don Dulaney gave Mr. DiMeglio a copy of all active members current benefit statements. Mr. DiMeglio advised that he would give the copies to each member in their Department's mail box. Mr. Dulaney advised that he would send the current active members benefit statements to the plan administrator via e-mail.

Mr. Dulaney presented the October 01, 2012 Actuarial Valuation Report. Mr. Dulaney began by reviewing the pertinent actuarial information to the Board which he advised is a snapshot of the actuarial report. There were a total of 152 active members. There were 139 active Tier One members and 13 active Tier Two members. There were 78 members that are 100% vested and 74 non vested. The annual payroll of active members was

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\$13,014,220. The annual rate of benefits in pay status was \$4,032,197. The actuarial accrued liability was \$114,812,797. The net assets available for benefits (actuarial value) are \$86,545,636. The unfunded actuarial accrued liability is \$28,267,161. The required town contribution as percentage of annual payroll of active members is 43.8% (\$5,703,048.). This percentage is down almost 5% from the previous year. The required employer contributions must be paid during plan/fiscal year ending September 30, 2013. The Town made all necessary contributions to the plan before the end of the previous plan/fiscal year.

Mr. Dulaney submitted draft copies to the Board members of the entire actuarial report for their review. The Board members took some time to review this thirty-six page document. Mr. Dulaney gave four copies of the report to Mr. Dorn. Mr. Dulaney requested Mr. Dorn to send one copy to the Town Administrator, one copy to the payroll department, one copy to the clerk and then two copies to the State. Mr. Dorn agreed to this.

Mr. Dulaney then reviewed the actuarial report for the Board. The assumed rate of return of the Plan's investment is 7.90%.

Mr. Dulaney reviewed what he referred to as the development of actuarial value of assets as of 09/30/2012 (Page 10, Table VI of the Actuarial Report). The Plan's market value of assets at the beginning of the year was \$72,353,153. The contributions were \$7,345,605. The benefit payments and expenses were \$5,509,339. The expected investment income was \$5,788,432. The expected assets at the end of the year should have been \$79,977,851. He advised that this was a great year for the plan. The actual market value at the end of the year was \$88,219,142.

Mr. Dulaney advised that the actuarial method of a three year smoothing is used which means that any gains or losses are valued over a three year period. This helps in good and bad years so that all bad years are not used actuarial in the next year's report which would hurt the plan in actuarial terms. The gains also are used over a three year period which helps in off years in actuarial terms. So using the smoothing method means that the plan had actuarial assets at the end of the year in the amount of \$86,545,636.

Mr. Dulaney reviewed the revenues by source and expense type for the year. The employee contributions were \$1,000,501. The Town's contributions to the Plan were \$6,203,084. The State's contributions to the plan were \$644,262. The investment income was \$13,527,481. The total revenue for the Plan was \$21,375,328. The benefits and DROP payments were \$4,817,431. The expenses including Investment Management fees were valued at \$646,042. The refunds were valued at \$45,866. The total expenses for the year including Benefit & DROP payments were valued at \$5,509,339.

Mr. Dulaney advised that the average salary for a Plan member was \$85,620 which is a decrease from the October 01, 2011 Valuation. The unfunded liability of the Plan decreased from the previous year which is outstanding. Mr. Levinson inquired as to what

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is the total actuarial present value of accumulated benefits. Mr. Dulaney advised that this is covered on page 14, table X of the actuarial report. Mr. Dulaney advised that the amount of total actuarial present value of accumulated benefits is \$97,684,301.

Mr. Dulaney provided Mr. Dorn with a ledger of the Town of Davie Police Pension Plan as valuation date October 1, 2012 for the plan's records.

Mr. DiMeglio made a Motion to accept the Actuarial Valuation Report as presented by Mr. Dulaney. Mr. Taylor seconded the Motion. The Motion passed 4-0.

PLAN ADMINISTRATOR:

Mr. Dorn advised that Retiree Nancy Cook contacted him regarding payroll deductions for health insurance. In short, the Plan would withhold the monthly insurance payment on behalf of the member and the payment would be forwarded to the Town of Davie on behalf of the member. Currently that procedure has not been set up with Salem Trust. In contacting Karen Russo of Salem Trust, she indicated that they could in fact accomplish the foregoing and there would be no additional charge to the Plan. Mr. Dorn advised that he contacted the Town of Davie payroll and benefits department to seek approval and to establish a procedure to allow members to elect this option. The Board discussed this issue and thought it would be better for both retirees and the Town if this procedure would be implemented. Mr. Dorn advised that he would keep the Board apprised. Mr. Levinson advised that he would like the Board to approve the forms used to allow this procedure to occur that the retired members would have to execute. Mr. Levinson asked Mr. Dorn if he could bring a draft form to the next meeting. Mr. Dorn agreed to this

Mr. Dorn advised that Mr. Jenkins contacted his office regarding his current reimbursement to the Plan. Apparently Mr. Jenkins lost his job and as a result can no longer make payments at this juncture. Mr. Dorn indicated that that Mr. Jenkins originally owed the Plan \$2,618.02. Mr. Jenkins made payments totaling \$1,493.65, which leaves an outstanding balance of \$ 1,124.37. Mr. Davis advised that he would like Mr. Jenkins to continue monthly payments, but based on what he can currently afford. Mr. Davis advised that he would not like the repayment to stop. Mr. Levinson advised that he would have to review the agreement if the Board agrees to stop the repayment for a period or reduce the payment amount. Mr. Davis asked Mr. Dorn to obtain from Mr. Jenkins the minimum amount that he can make each month until his financial situation improves. Mr. Dorn advised that he would get back to the Board regarding this matter.

Mr. Dorn advised that active member Robert Frailing has submitted his DROP Application to enter the DROP on July 01, 2013.


OPEN DISCUSSION:

There were no issues in open discussion.

ADJOURN:

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Mr. DiMeglio made a Motion to adjourn the meeting. Mr. Taylor seconded the Motion.
The Motion passed 4-0. The meeting was adjourned at 7:09 p.m.



Greg Brilliant, Chairman