

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

October 14, 2014

5:00 P.M.

The regular meeting of the Board of Trustees of the Town of Davie Police Pension Plan was called to order on behalf of the Board by the Plan Administrator, Bob Dorn on October 14, 2014 at 5:03 p.m. at the Town of Davie Police Department, 1230 South Nob Hill Road in Davie, Florida.

TRUSTEES PRESENT:

Mr. Greg Brilliant, Chairman, Mr. Larry Davis, Secretary. Mr. Jack Mackie, Board Trustee, Mr. Thomas DiMeglio, Board Trustee and Mr. Ed Taylor, Board Trustee

EXCUSED ABSENCE:

None

OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney, - Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn - Precision Pension Administration, Inc.; Mr. Don Dulaney - Dulaney & Associates;

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

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the September 9, 2014 meeting. Mr. Dorn asked if there were any changes required to the cited minutes. No changes made. Mr. Davis made a motion to approve the September 9, 2014 minutes. Mr. Mackie seconded the motion. The motion passed 5-0.

WARRANT 538

This Warrant was payment to Dulaney and Company for services rendered through August/2014. The amount for this Warrant is \$4,880.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

WARRANT 539

This Warrant was for a reoccurring payment to Nicole Kraynak. Nicole Kraynak is the beneficiary of Edward Kraynak. There was an overpayment to Edward Kraynak because he changed his beneficiary several months prior to his death. The actuary completed calculations which the plan will be reimbursed for several months and then Nicole's normal payment will occur. The amount for this warrant is \$2,666.89 a month until January/2015 then increased to \$3,282.81. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

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WARRANT 540

This Warrant was for payment to Dahab & Associates for professional services rendered from 07/01/14 through 09/30/14. The amount for this warrant is \$12,750.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 5-0.

WARRANT 541

This Warrant was for payment to Klausner, Kaufman, Jensen & Levinson for legal services rendered through 09/30/14. The invoice number is 16129. The amount for this warrant is \$1,290.50. Mr. Davis made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

WARRANT 542

This Warrant is a reoccurring retirement benefit payment to Mr. Timothy S. Donohue who is eligible for payment starting November 1, 2014. The amount of this Warrant is for \$5,195.88. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 5-0.

WARRANT 543

This Warrant was for payment to Buckhead Capital Management for management fees rendered from 07/01/14 through 09/30/14. The amount for this warrant is \$12,750.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Davis seconded this Motion. The Motion passed 5-0.

WARRANT 544

This Warrant was for payment to Rhumblin Advisors for management fees rendered from 07/01/14 through 09/30/14. The invoice number is 4mdavie2014Q3. The amount for this warrant is \$12,750.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Davis seconded this Motion. The Motion passed 5-0.

OLD BUSINESS:

The Board of Trustees was presented with the Operating Rules & Procedures for the Board by Mr. Dorn. Mr. Dorn advised that the corrections and additions were made pursuant to the Board's instructions at the last meeting. Mr. Davis made a Motion to approve the amended Operating Rules & Procedures. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

NEW BUSINESS:

The Board was advised that the current location at the Davie Police Department was already scheduled for another group next month and the Board would have to have its meeting at another location. Mr. Dorn suggested that the Board have its meeting at the Precision Pension Administration Office (located at 13790 NW 4th Street, Suite 105, Sunrise, Florida 33325). The Board agreed to this location for next month's meeting.

ATTORNEY REPORT:

Mr. Levinson advised that he was contacted by Mr. Ackerman regarding payroll taxes on employee contributions. The Town recently reviewed how they handle the payroll taxes associated with employee contributions and noted that the Town has not been calculating Social Security/Medicare taxes on employee contributions as required by the IRS. Going forward, the Town will calculate the Social Security/Medicare taxes on employee contributions the way the IRS has requested. This will affect the employees' take home pay which will be reduced slightly due to the taxes that are due. This will not affect the payments made to the Plan by the Town. This procedure will go into effect on October 9, 2014.

Mr. Levinson spoke to the Board about several different institutions which rate and grade various public pension plans. The problem with these grading systems is the methodology used by the institutions which do not give a complete picture of the plans. They leave out a myriad of items that affect the plans in a positive and negative way.

The Division of Retirement is developing a new template for reporting and will hopefully be submitted to the plans shortly.

Mr. Levinson advised that he reviewed the American Core Realty Fund proposal to change its corporate structure from a Delaware Limited Liability Company to a Delaware Limited Partnership. Mr. Levinson advised that American Core Realty Fund will be sending the Board a consent form to sign in order for them to change. American Core Realty Fund will need 66.7% of its investors to approve of the change. Mr. Dorn advised that the consent form will be presented by to the Board at the next meeting.

ACTUARY:

Mr. Dulaney submitted Mr. Van Gils DROP statement. The reason this was later than the rest of the DROP statements is because Mr. Van Gils just recently submitted his benefit selection form.

Mr. Dulaney advised that he was working on Mrs. Tiffany Richards' estimated benefit calculations when he discovered that Mrs. Richards is only working one day a week and is paying into the pension only one day a week. This is supposedly going to continue to the end of the year. Mr. Dulaney advised that by working only one day a week will make a dramatic impact in her benefit calculations. Mr. Brillant advised that he is suggesting that no more calculations be completed until Mrs. Richards retires. The rest of the Board agreed to this.

Mr. Dulaney presented to the Board a recent cost study he performed. A review of the current actuarial assumptions is the funding rate is 7.90%, annual salary increase is 6.25%, the mortality table is the GAM-1983, and the termination rates per actuarial table. Mr. Dulaney proposed to the Board to reduce the funding rate to 7.60%, reduce the

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annual salary increase to 5.50%, a 20% reduction in the termination rates and to change the mortality table to the RP-2000. Mr. Dulaney advised that if the Board accepted all of the changes, then it would cost the Town an estimated increase of \$59,900 a year. The Board discussed this issue and reviewed the proposal with the Board's attorney. The Board decided to have the Plan Administrator send this proposal to the Town for input. The Board also decided to table this issue for the next meeting.

PLAN ADMINISTRATOR:

Mr. Dorn disseminated the monthly expense report for the Board to review. The Board reviewed this report with no inquires.

Mr. Dorn advised that the audit process is currently on schedule for completion and presentation for the January 13, 2015 Board meeting.

Mr. Dorn advised that he will contact Mrs. Tiffany Richards and advise her to review the Town Ordinance on how your final benefit calculation is computed and suggest to her to seek out professional assistance to help guide her in her decisions in this matter.

OPEN DISCUSSION:

No Open Discussion.

ADJOURN:

Mr. Mackie made a Motion to adjourn the meeting. Mr. Davis seconded the Motion. The Motion passed 5-0. The meeting was adjourned at 6:25 p.m.


LAWRENCE G. DAVIS, SECTY
Greg Brillant, Chairman