

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

July 13, 2015

4:00 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 July 13, 2015 at 4:02 P.M. at 13790 N.W. 4th Street, Suite 105, Sunrise, Florida.

TRUSTEES PRESENT:

Mr. Greg Brilliant – Chairman; Mr. Larry Davis – Secretary; Mr. Thomas DiMeglio, Mr. Ed Taylor & Mr. Jack Mackie – Trustees.

ABSENT:

None.

OTHERS PRESENT:

Mr. Adam Levinson - Board Attorney; Mr. Don Dulaney – Board Actuary; Mr. Bob Dorn, Plan Administrator – Precision Pension Administration, Inc; Richard Mahnken – Police Officer; Steven Gordon – S.I. Gordon & Company, P.A.; Tony Grau & Racquel McIntosh – Grau & Associates; Richard Cristini & Jeanine Bittinger – Davisdon, Jamieson & Cristini, P.L.

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

PUBLIC DISCUSSION:

No public comments presented

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the June 9, 2015 meeting. Mr. Dorn inquired if there were any changes required to the cited minutes. Several changes were offered which was duly noted. A Motion was made by Mr. Davis to approve the minutes. The Motion was seconded by Mr. Mackie. The Motion passed 5-0.

WARRANT 637

This Warrant was for payment of \$2,953.75 to Dulaney & Company for actuarial services rendered for May/2015. A Motion was made by Mr. Davis to approve as outlined. The Motion was seconded by Mackie. The Motion passed 5-0.

WARRANT 638

This Warrant was for payment of \$5,000.00 to retiree Scott Kiso from his DROP account. Mr. Dulaney reviewed the account and agreed that Mr. Kiso had these funds for disbursement. A Motion was made by Taylor to approve as outlined. The Motion was seconded by Mackie. The Motion passed 5-0.

WARRANT 639

This Warrant was for payment of \$366,672.37 to another qualified plan from Mr. Gregory Jansen's DROP account to be paid on or after August 1, 2015. (Note - Mr. Jansen is retiring August 1, 2015 and is moving all of his DROP funds to another qualified plan). Mr. Dulaney reviewed the DROP account and agreed that the first of two

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transfers should be in the aforementioned amount. A Motion was made by Mr. Davis to approve as outlined. The Motion was seconded by Mackie. The Motion passed 5-0.

Warrant 640

This Warrant was for a reoccurring monthly payment of \$ 5,593.39 to Mr. Gregory Jansen to be paid on or after August 1, 2015 as a monthly benefit payment to be paid until the Board decides to stop payment. A Motion was made by Mr. Davis to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

Warrant 641

This Warrant was for payment to Klausner, Kaufman, Jensen & Levinson in the amount of \$1,820.00 for legal services rendered through June/2015. The invoice number is 16949. A Motion was made by Mr. Davis to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

Warrant 642

This Warrant was for payment to Robert Dorn for reimbursement on postage in the amount of \$220.00 for necessary mailing for the Plan through June/2015. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

Warrant 643

This Warrant was for payment of \$5,000.00 to retiree Scott Kiso from his DROP account. Mr. Dulaney reviewed the account and agreed that Mr. Kiso had these funds for disbursement. A Motion was made by DiMeglio to approve as outlined. The Motion was seconded by Mackie. The Motion passed 5-0.

Warrant 644

This Warrant was for payment to Snow Capital Management, L.P., in the amount of \$2,950.00 for investment management services for the period of February 26, 2015 through March 31, 2015. A Motion was made by Mr. Davis to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

Warrant 645

This Warrant was for payment to Snow Capital Management, L.P., in the amount of \$8,137.00 for investment management services for the period of April 1, 2015 through June 30, 2015. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

WARRANT 646

This Warrant was for payment to Lyricial Asset Management, in the amount of \$11,005.21 for investment management services for the period through October 31, 2015. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

Warrant 647

This Warrant is for payment to Trustee and Fiduciary Insurance Services for trustee fiduciary liability insurance in the amount of \$9,500.00 from 8/1/2015 through 8/1/2016. The underwriter for this insurance is RLI Insurance Company. A Motion was

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made by Mr. Davis to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

NEW / UNFINISHED BUSINESS:

Mr. Dorn advised the Board that the monitor and investment managers can attend the meeting on August 18, 2015. The Board agreed to change the regular scheduled meeting date to August 18, 2015.

Mr. Dorn advised that based upon the notification of the actuary, Mr. Don Dulaney, Mr. Richard Mahnken was over paid from his DROP account from December/2014 through May/2015. Mr. Dulaney advised that Mr. Mahnken's over payment was in the amount of \$8,969.94. The Board reviewed Mr. Dulaney's information as well as the Fiduciary Trust DROP Payment Statements that showed Mr. Mahnken was paid for the aforementioned time periods. Mr. Dulaney advised that he would pay the interest on the initial principal amount and also on any interest that will occur if the Board decided to make Mr. Mahnken make payments to recapture the funds. Mr. Mahnken was present for the meeting and advised that Board that he will make the necessary lump sum payment to the Plan in the amount of \$ 8,969.94. Mr. Mahnken submitted a personal check for the repayment which the Board accepted. Mr. Dulaney advised that he would repay the remaining \$11.17 along with all interest to make the plan whole. The Board accepted these actions from Mr. Mahnken and Mr. Dulaney. Mr. Dorn spoke with Mr. Mahnken regarding his 1099-R form corrected for 2014. Mr. Dorn advised that he would inform the Plan custodian (Fiduciary Trust International of the South) in the morning so they can send a revised 1099-R for 2014 and make the necessary corrections for 2015.

ACTUARY REPORT:

Mr. Dulaney reviewed with the Board the new disclosure report under Section 112.664, Florida Statutes otherwise known as Rule 60T. This report contains the run out dates for plan funding in actuarial terms. Mr. Dulaney advised that this is the first year any of the actuaries are calculating these numbers to comply with the State Statute. Mr. Dulaney spoke to the Board about the methods used to calculate requirements. There is a frozen benefit method for actives and a projected benefit for actives method which could be used to meet the requirements. Mr. Dulaney advised that he used the projected benefit for actives method. After discussion by the Board, the Board recommended to Mr. Dulaney to perform the requirements under the 60-T rule using the frozen method for actives approach. Mr. Dulaney advised that he would re calculate the report using the frozen benefit for active approach. Mr. Levinson advised that Mr. Dulaney first check with the Division of Retirement before making any changes to ensure that they will accept this method. Mr. Dulaney advised that he would.

Mr. Dulaney advised that he is working on the mandatory change to the mortality tables according to Senate Bill 1309.

ATTORNEY REPORT:

Mr. Levinson advised the Board that his firm sent out letters to all of their clients in reference to the pending deadlines for all of the new disclosures and changes set forth by the recent changes to Florida Statutes. Mr. Levinson advised that this Plan has met the requirements for Florida Statute 112.664 (Chapter 60T, Florida Administrative Code). Mr. Levinson advised that once the budget is approved at this meeting, then the only

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item left to be changed is the mortality table. Mr. Levinson advised that the mortality table must be effective on 1/1/2016. Mr. Dulaney advised that he is working on this and it will be ready for presentation at the next meeting.

Mr. Levinson presented to the Board the Administrative Rules numbered 1, 2 and 6. Mr. Levinson advised that his firm added the signature sections on these Administrative Rules so that all of the Rules are in the same format. The Board reviewed the changes to the Administrative Rules and agreed to the changes. Mr. Taylor made a Motion of ratification to accept the previous approved Administrative Rules numbered 1, 2 & 6 along with the changes for signature section on all of the aforementioned rules. The ratification Motion was seconded by Mr. Mackie. The Motion passed 5-0.

Mr. Levinson advised that under the new changes to the State Statutes under Senate Bill 172, the Plan has to develop a 'Share Plan' but does not have to be in effect until the collective bargaining agreement expires between the member's union and the Town of Davie. The agreement expires on October 1, 2016.

PLAN ADMINISTRATOR:

Mr. Dorn submitted the three quotes for the fiduciary insurance to the Board. The Board discussed the quotes from the three companies. The three companies were (1) U.S. Specialty Insurance Company, (2) Hudson Insurance Company, and (3) RLI Insurance Company. The Board decided on RLI Insurance Company. Mr. Taylor made a Motion to execute the contract for RLI Insurance Company for the 8/1/2015 through 8/1/2016 insurance period for \$9,500.00. Mr. Davis seconded the Motion. The Motion passed 5-0.

Mr. Dorn advised that we received three responses from auditors for services to the Plan. Mr. Dorn advised that the companies are (1) S I Gordon & Company, PA, (2) Grau & Associates, and (3) Davidson, Jamieson & Cristini, P.I. Each of the firms presented to the Board their proposals. Each of the firms had twenty minutes for their presentation and ten minutes for questions. The Board interviewed each of the firms. After the presentations, the Board discussed the various different attributes of each of the firms. Mr. Davis made a Motion to hire S I Gordon & Company for the upcoming audit. Mr. Taylor seconded the Motion. Mr. Brilliant, Mr. DiMeglio and Mr. Mackie did not vote in favor of the Motion. The Motion failed on a three to two vote. Mr. DiMeglio made a Motion to hire Davidson, Jamieson & Cristini, P.I. for the 2014/2015 audit period. Mr. Mackie seconded the Motion. The Motion passed three to two with Mr. Taylor and Mr. Davis voting against the Motion. Mr. Dorn advised that he would be sending a letter to GSK advising them that the Plan would not be using their services for the 2014/2015 audit. The Board agreed to the contract pricing but requested Mr. Dorn to negotiate a lower fee if possible. Mr. Dorn advised that he would attempt to have the firm lower their fees.

Mr. Dorn presented to the Board a draft budget as a requirement for the Senate Bill 172. Mr. Dorn advised that the budget has to be approved prior to October 1, 2015 for the next fiscal year. The Board discussed the draft budget and made some changes to the draft. Mr. Taylor made a Motion to approve the 2015/2016 Administrative Expense Budget. Mr. Mackie seconded the Motion. The Motion passed 5-0. Trustee Brilliant and Davis executed the form. Mr. Dorn advised that the Budget will be put on the Plan's web site and given to the Town of Davie as well as the Department of Management Services.

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Mr. Dorn advised the Board that U.S. Real Estate Investment Fund, LLC did a capital call in the amount of \$675,544.75 that was due on July 8 2015. The funds were taken from the Garcia Hamilton & Associates Fixed Income account. The transfer occurred with no issues. Mr. Dorn advised that the Board had approved these transfer(s) during the September 9, 2014 meeting.

Mr. Dorn advised the Board that a death check was completed on all retirees and no unreported deaths were discovered for any retired member.

Mr. Dorn advised the Board that Mr. Gregory Jansen will be retiring on July 31, 2015. All of his necessary retirement forms have been submitted and presented to the Board. Mr. Dorn advised that Mr. Jansen will start receiving his monthly benefit payment on August 1, 2015. Mr. Dorn advised that the actuary completed the necessary calculations to determine Mr. Jansen's monthly benefit payment. The Board acknowledged Mr. Jansen's retirement and accepted his retirement forms. Mr. Dorn also advised that Mr. Jansen is transferring his DROP account funds to another qualified plan. Mr. Dorn advised that this transfer will be completed in two transactions and the calculations for the amounts were completed by the actuary.


Mr. Dorn advised the Board that the necessary annual mandatory trustee disclosure forms have been accepted by the State from all of the trustees.

Mr. Dorn advised that the annual confirmation of benefits forms have been sent to all retired members who are collecting a monthly benefit from the Plan. Mr. Dorn advised that he would keep the Board apprised of the process.

Mr. Dorn explained and showed the Board via a computer the new disclosure icon and contents of the mandatory disclosure forms required by SB 172 and SB 534. Mr. Dorn advised that once you click on the disclosure icon it brings you to the cover page which was discussed by the Board several meetings ago and was drafted by Mr. Levinson. It makes the user scroll down to the bottom of the letter to view the disclosure reports. Once you click on view disclosure reports, the web page brings you to the report icons. The report icons have the (1) link to the State's web page that displays the actuarial summary fact sheet, (2) actuarial valuation report, (3) annual budget, (4) Chapter 112.664 actuarial disclosures, (5) financial statements and (6) SB 534 investment disclosures. Mr. Dorn advised that each year will be added to the reports which will be listed under the year. The link page to the State web page is static and will only be changed when the State changes their report. The Board reviewed the web page disclosures and approved the web disclosure formats. Mr. Dorn advised that the Town of Davie was given to the Finance Department and Town's Clerk's Office which they are working on setting up their web page link to the Plan's disclosure page.

ADJOURN:

Mr. Davis made a Motion to adjourn the meeting. Mr. DiMeglio seconded the Motion. Motion passed 5-0. The meeting was adjourned at 7:40 P.M.



Greg Griffin, Chairman