

TOWN OF DAVIE POLICE PENSION PLAN
Minutes

October 13, 2015
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 13, 2015 at 5:02 P.M. at 13790 N.W. 4th Street, Suite 105, Sunrise, Florida.

TRUSTEES PRESENT:

Mr. Greg Brilliant – Chairman (arrived at 5:16 P.M.); 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.; Mr. David Lee – Dahab & Associates.

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 September 15, 2015 meeting. Mr. Dorn inquired if there were any changes required to the cited minutes. Changes were offered and were duly noted. A Motion was made by Mr. Davis to approve the minutes. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

WARRANT 672

This Warrant was for payment to FPPTA for Mr. Davis to attend the October 2015 pension conference. The amount of this Warrant is \$450.00. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

WARRANT 673

This Warrant was for payment to Dulaney & Company for actuarial services through August 2015. The amount of this Warrant is \$3,937.50. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

Warrant 674

This Warrant was for payment to International Foundation of Employee Benefit Plans Organization. This payment was for the Board's yearly association dues. The amount of this Warrant was for \$960.00. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

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WARRANT 675

This Warrant was for payment of \$5,000.00 to Mr. Scott Kiso for a DROP disbursement, amount verified by our Actuary. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

WARRANT 676

This Warrant was for payment to Klausner, Kaufman, Jensen & Levinson for legal services rendered through September 2015. The invoice number is 17264. The amount of this Warrant is \$2,090.00. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

WARRANT 677

This Warrant was for payment in the amount of \$9,952.25 to Lyrical Asset Management for investment fees for the 4th quarter. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

WARRANT 678

This Warrant was for payment in the amount of \$6,593.00 to Snow Capital Management for investment fees from July 01, 2015 through September 30, 2015. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

WARRANT 679

This Warrant was for payment to Retiree Robert Frailing in the amount of \$2,000 a month from his DROP account, amount verified by our Actuary. This will be a re-occurring monthly DROP payment to Mr. Frailing. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

WARRANT 680

This Warrant was for payment in the amount of \$2,916.00 to Rhumblin Advisors for investment fees for the 3rd quarter. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

WARRANT 681

This Warrant was for payment to Mr. Thomas DiMeglio for reimbursement for expenditures during the October 2015 FPPTA pension conference. The amount for this Warrant is \$646.70. A Motion was made by Mr. Taylor to approve as outlined. The Motion was seconded by Mr. Davis. The Motion passed 5-0.

WARRANT 682

This Warrant was for payment to Mr. Greg Brilliant for reimbursement for expenditures during the October 2015 FPPTA pension conference. The amount for this Warrant is \$665.15. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

WARRANT 683

This Warrant was for payment to Mr. Jack Mackie for reimbursement for expenditures during the October 2015 FPPTA pension conference. The amount for this Warrant is

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\$826.69. A Motion was made by Mr. DiMeglio to approve as outlined. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

NEW / UNFINISHED BUSINESS:

Mr. Dorn presented to the Board a draft packet for the web site on "Divorce Information for Members". Mr. Levinson submitted to the Board several months ago of a similar packet from another plan for the Board to review. Mr. Dorn requested that the Board review this divorce packet and it will be on next month's agenda. The Board agreed.

PERFORMANCE MONITOR REPORT:

Mr. David Lee advised that he conducted a manager search on behalf of the Davie Police Pension Plan for a midcap manager. Mr. Lee advised that his firm narrowed the managers to the following: (1) Clear Bridge Investments, (2) LMCG Investments and (3) Wedge Capital Management.

Mr. Lee advised that these firms were thoroughly analyzed and his firm is confident that any one of these firms can do the job. Mr. Lee submitted to the Board several spread sheets which showed the Board several facts about each of the firms. The Board reviewed each of the documents and discussed the information with each other and Mr. Lee. The Board agreed to conduct interviews for each of these firms during the December 08, 2015 meeting. Mr. Lee advised that he would notify the firms of the interviews for the December 08, 2015 meeting. Mr. Brilliant requested that the meeting start at 4:00 P.M. in December instead of the normal five pm for the interviews. The rest of the Board agreed to this change.

Mr. Lee advised that TAMRO will no longer be investing in large cap stocks and will continue to focus on small cap stocks and funds.

ACTUARY REPORT:

Mr. Dulaney advised that he has completed next year's COLA report for retired members. The Board reviewed and agreed to the COLA increases. Mr. Dorn advised that he will present a Warrant to approve the COLA increase at the December 08, 2015 meeting.

Mr. Dulaney advised that he sent the Town of Davie Finance Director the estimated Town's 2016 contributions. Mr. Dulaney advised that if the Town of Davie does a pre-payment on or about October 1, 2015, then the total amount due would be \$5,672,500.00. He produced this estimate by (1) assuming that there would be no actuarial gain or loss for the next fiscal year, (2) 39.9% of covered payroll is the Town's funding requirement and (3) a 6.0% growth in covered payroll for the next fiscal year. Mr. Dulaney advised that he is unsure whether or not the Town of Davie will conduct the pre-payment as they did the previous year.

Mr. Dulaney advised that he is working with the Town of Davie Payroll Department regarding the pension audit.

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ATTORNEY REPORT:

Mr. Levinson spoke to the Board regarding the front loading of sick and vacation time into the DROP accounts for members. Mr. Levinson advised that this process may have to either be modified or stopped because of an IRS opinion letter regarding this issue. Mr. Levinson advised that the problem with this procedure is if the member is able to front load some sick and vacation and also take some sick and vacation time in actual cash payments. Mr. Levinson advised that the Union and Town will have to agree to any changes and a Town Ordinance may have to be done on this issue. Mr. Levinson advised that another pension plan has drafted an administrative rule which has a mandatory requirement to transfer sick and vacation time for any of these amounts over 500 hours into the DROP plan. Mr. Levinson advised that there is also a provision in this other plan's rule to have annual transfers into the DROP and upon termination, all remaining leave balances must be transferred into the DROP. There is also a provision on non-participating DROP members. The Board discussed this issue in great length and decided to have a committee of one to meet with the Union Reps and Town Finance Department to discuss options on this issue and then report back to the Board. Mr. Brilliant was appointed for this assignment. Mr. Levinson advised that he would host this meeting to assist in the understanding of the issues and possible solutions for this issue. Mr. Levinson also reminded the Board of the possible share plan that has to be in place prior to the beginning of the new contract. The current contract expired on September 30, 2015. The Board directed Mr. Levinson to also speak to all parties regarding the share plan.

PLAN ADMINISTRATOR:

Mr. Dorn advised that a death check has been conducted and there have been no new reported death(s) to retired members.

Mr. Dorn advised that the audit work is continuing with the new auditors and they will conduct an onsite review October 26-28, 2015.

Mr. Dorn advised that he has sent beneficiary forms to numerous active members who have to update their forms and submit original forms.

Mr. Dorn advised that he is working with the auditors for the current audit process.

OPEN DISCUSSION:

Mr. Davis advised that he would like to discuss at the next meeting the trend in pensions to move away from investing in fossil fuels and investing in other type of clean energy investments. The Board agreed to discuss this at the next meeting.

ADJOURN:

Mr. Davis made a Motion to adjourn the meeting. Mr. DiMeglio seconded the Motion. Motion passed 5-0. The meeting was adjourned at 7:03 P.M.



Greg Brilliant, Chairman