

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

January 10, 2017
5:00 P.M.

The regular meeting of the Board of Trustees for the Town of Davie Police Pension Plan was called to order at 5:00 P.M. on behalf of the Board by the Plan Administrator, by Mr. Bob Dorn on January 10, 2017 at 1230 S. Nob Hill Road, Davie Florida.

TRUSTEES PRESENT:

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

ABSENT:

None.

OTHERS PRESENT:

Mr. Robert Klausner & Mr. Adam Levinson Board Attorney- Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn, Plan Administrator – Precision Pension Administration, Inc; Mr. Don Dulaney, Actuary – Dulaney & Company; Mr. Daniel Perez – Plan Member; Mr. Mark Leone – Plan Member; Mr. Paul Ortenzo – Plan Member and Mr. Rich Moore – Plan member

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 November 17, 2016 meeting. Mr. Dorn inquired if there were any changes required to the cited minutes. Mr. Brilliant and Mr. Davis offered several changes which were duly noted. A Motion was made by Mr. Taylor to approve the minutes. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

APPROVAL OF WARRANTS

WARRANT 842

This Warrant is Mr. Brilliant for reimbursement for the registration fee for the IFEPF February/2017 pension conference. The amount of this Warrant is for \$1,795.00. A Motion was made by Mr. Mackie to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

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WARRANT 843:

This Warrant is to Fiduciary Trust for custodial services rendered for the third quarter of 2016. The amount of this Warrant is for \$830.71. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 844:

This Warrant is to Fiduciary Trust for custodial services rendered for the third quarter of 2016. The amount of this Warrant is for \$7,802.76. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 845:

This Warrant is to Fiduciary Trust for custodial services rendered for the third quarter of 2016. The amount of this Warrant is for \$929.62. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 846:

This Warrant is to Fiduciary Trust for custodial services rendered for the third quarter of 2016. The amount of this Warrant is for \$834.53. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

WARRANT 847:

This Warrant is to Fiduciary Trust for custodial services rendered for the third quarter of 2016. The amount of this Warrant is for \$603.75. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

WARRANT 848:

This Warrant is Retiree Scott Kiso for a one-time partial DROP disbursement. The amount of this Warrant is for \$5,000.00 A Motion was made by Mr. Mackie to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 849:

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal fees rendered through November/2016. The amount of this Warrant is for \$2,090.00. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 850

This Warrant is for Retirees Taylor, Brugman and McDaniel for a one-time partial lump sum DROP disbursement. These members as per the Board's Administrative guidelines must take a mandatory ten dollars disbursement each calendar year and they have not done so at this point. The amount of this Warrant is for \$30.00 (ten dollars to each

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member). A Motion was made by Mr. Davis to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 851

This Warrant is Mr. Davis for reimbursement for expenses at the September/2016 FPPTA pension conference. The amount of this Warrant is for \$812.15. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

WARRANT 852

This Warrant is to Dulaney & Associates for actuarial fees rendered through October/2016. The amount of this Warrant is for \$2,090.00. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 853

This Warrant is Mr. Taylor for reimbursement for expenses at the March/2017 FPPTA pension conference. The amount of this Warrant is for \$266.20. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Davis seconded the Motion. The Motion passed 5-0.

WARRANT 854

This Warrant is to FPPTA for the Trustee DiMeglio and Taylor to attend the January/2017 conference. The amount of this Warrant is for \$1,000.00. A Motion was made by Mr. Mackie to approve this Warrant. Mr. Davis seconded the Motion. The Motion passed 5-0.

WARRANT 855

This Warrant is to Dulaney & Associates for actuarial fees rendered through November/2016. The amount of this Warrant is for \$5,958.75. A Motion was made by Mr. Mackie to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 856

This Warrant is to Steven Rachlin for a monthly re-occurring pension benefit starting in February 1, 2017. The amount of this Warrant is for \$6,147.52 A Motion was made by Mr. Taylor to approve this Warrant. Mr. Davis seconded the Motion. The Motion passed 5-0.

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WARRANT 857

This Warrant is for Retiree Scott Kiso for a one-time DROP disbursement from his DROP account. The amount of this Warrant is for \$5,000.00. The Motion was made by Mr. DiMeglio to approve this Warrant. The Motion was seconded by Mr. Mackie. The Motion passed 5-0.

WARRANT 858

This Warrant is to LMCG for investment fees rendered through 4th quarter of 2016,. The amount of this Warrant is for \$11,861.34. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 859

This Warrant is to Garcia Hamilton & Associates for fixed income investment fees rendered through 4th quarter of 2016,. The amount of this Warrant is for \$24,059.26. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 860

This Warrant is to Garcia Hamilton & Associates for equity income investment fees rendered through 4th quarter of 2016,. The amount of this Warrant is for \$8,485.33. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

NEW / UNFINISHED BUSINESS

Mr. Dorn advised that the 5th member position currently held by Mr. Taylor expired on 12/31/2016 and is up for re-appointment. Mr. Dorn advised that proper notice was sent to the active members and also put on the web site for any person who meets the qualifications can apply for the 5th member position on the Town of Davie Police Pension Plan. Mr. Dorn advised that the following persons applied for the 5th member position: Mr. Edward Taylor, Mr. Daniel Perez, Mr. Mark Leone, and Mr. Paul Ortenzo.

Mr. Dorn read to the Board the section of the Town Ordinance (Ordinance 2011-18) that pertains to this position, "One individual who will be appointed by the four Board members and will serve a four year term; the four Board members will submit their appointee's name to the Town Council and the Town Council will officially appoint him or her as the fifth member". Mr. Levinson advised that there must be four members on the Board to vote and there must be a three-fourths vote to have a new 5th member of the Board. If the Board is divided then the current 5th member will remain in this position.

Each member had ten minutes to speak to the Board regarding their interest and qualifications for the 5th member Board position.

Mr. Leone made his presentation first and advised that he submitted his name to the Plan because he did not know if any other persons are interested in this position and is

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concerned that the two elected members will be retiring within the next three years. Mr. Leone advised that he would like to see some type of succession plan in place so that there is not a gap in experience and knowledge in making investment and Board decisions. Mr. Leone advised that he is withdrawing his name for this position.

Mr. Taylor gave a brief but a very detailed presentation of his extensive experience and time he has served as a member on the Police Pension Board. Mr. Taylor advised that he has more than twenty years of experience in this area and would like to remain as the 5th member position on the Board.

Mr. Ortenzo gave his experience within the Department and advised that he is a Tier II pension plan member. Mr. Ortenzo advised that he wished he had more training and experience in this field but told the Board that he would attend the various training class to educate himself in the different responsibilities of the Board and the Plan.

Mr. Perez advised that he has always been interested in the pension plan and the functions of the Board. Mr. Perez gave his experience within the Department. Mr. Perez advised that he does not have any practical experience as a Board member but would put forth the effort in this position is given the opportunity.

The Board members discussed these candidates and decided to select Mr. Taylor. Mr. Mackie made a Motion to select Mr. Edward Taylor as the 5th member position on the Town of Davie Police Pension Plan. Mr. DiMeglio seconded the Motion. The Motion passed 4-0. Mr. Dorn advised that he would forward Mr. Taylor's name to the Town Council, Town Manager and the Town Clerk.

Mr. Klausner suggested to the Board that some other pension plans have various training programs where they send interested members to various FPPTA courses, new trustee training with his office as well as sending them to his firm's pension conference so that these members obtain the necessary knowledge to operate on a pension Board. Mr. Brilliant agreed with this and asked Mr. Klausner how does the Board start this process. Mr. Klausner advised that one of the local pension plans (Sunrise Fire Pension Plan) has a program like this in place where they send them to conferences like other trustees. Mr. Klausner advised that he would assist the Board in giving his time and office (conference room) to put on training for the new members to help the Board in their new endeavor. Mr. Mackie made a Motion for the Board to start a program to send active members to various conferences to obtain the necessary experience and knowledge in pension plans. The Motion was seconded by Mr. Taylor. The Motion passed 5-0. A discussion occurred as to how many they would have participated in this program and the Board agreed to start the program with two members and monitor how that works. Mr. Perez and Mr. Ortenzo both requested to the Board to be considered for this opportunity to be part for this new program. Mr. Brilliant stated that these two members (Perez & Ortenzo) have taken the first necessary steps to be Board members by submitting their names and running for the position in previous elections, Mr. Brilliant suggested that the Board should select both of these members for the training program that was outlined by Mr. Klausner earlier in the meeting. The Board agreed to this. Since the FPPTA meeting is before the next Board meeting, the Board agreed to pay for the normal expenses (course fee, hotel, etc...) for Mr. Perez and Mr. Ortenzo if they wanted to attend the FPPTA conference at the end of the month. Mr. Dorn advised that he will

speak to Mr. Perez and Mr. Ortenzo and ensure they have everything they need if they want to attend the meeting. Mr. Brillant advised that he will speak to the Police Chief and Town Manager about the time off issue for these members. Mr. Levinson advised that he will have a draft outline of the program at the next meeting.

ATTORNEY REPORT:

Mr. Levinson Advised that the Plan needs to do some IRS 415 testing on their members so there are no violations. Mr. Levinson advised that he spoke to Mr. Dulaney who does not do this type of testing or calculations for members. Mr. Levinson wanted permission from the Board to obtain two bids from other actuarial firms to conduct this type of testing. The Board discussed the issue and agreed to Mr. Levinson's suggestion. A Motion was made by Mr. DiMeglio for Mr. Levinson to obtain a minimum of two bids for 415 testing of members' benefits. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

Mr. Levinson advised that he submitted to the Board a draft Securities Litigation Policy for their review and requests the Board to table this discussion until the next meeting. The Board agreed to this.

Mr. Levinson advised some potential amendments to the Heart Bill, Public Safety and Homestead Exception that are being discussed and he will keep the Board updated on these issues.

Mr. Levinson advised that the Division of Retirement will have a new process for submitting the Annual Report. The new process will mandate that the report be submitted via the internet. Mr. Dorn advised that the auditors are aware of this and they will be submitting the annual report via the internet to the Division of Retirement once the Board approves the report.

Mr. Levinson advised that the Florida Retirement System ("FRS" Actuarial Assumption Conference recently voted to revise its mortality assumptions for active employees. The new pending FRS mortality table merits discussion with the actuary. As a result of this change, the Board may have the option of immediately adopting the pending FRS table in your next valuation, or continuing to use the current FRS mortality table for another year. Interestingly, rather than assuming that employees would live longer, the new FRS mortality table for active employees seemingly contemplates less improvement in mortality. Additionally, the FRS will be lowering its investment return assumption by 5 basis points from 7.65% to 7.60. The FRS actuary recommended lowering the investment return assumption to 7%; however, FRS is taking an incremental approach. They are targeting 7.5% as the longer term objective. This process is the trend of what many municipal pension plans have been doing for the past several years, incrementally lowering their investment return assumption after consultation with their investment consultant and actuary.

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ACTUARY REPORT:

Mr. Don Dulaney advised that he has been working on the GASB 67 report for the auditor so they can finish their report. Mr. Dulaney advised that he is working on the Actuarial Valuation Report which he believes will be completed by self-imposed deadline by the Board.

Mr. Dulaney gave Mr. Dorn the 2016 Employee Benefit Statements for active members. Mr. Dorn advised that he will make copies and then give them to the active members.

PLAN ADMINISTRATOR REPORT:

Mr. Dorn advised that a death check has been conducted and there have been no new reported death(s) of retired members. Mr. Dorn advised that they are working with the Auditors and the audit report should be ready for the February/2017 meeting. Mr. Dorn advised that he spoke to the Town's Finance Director regarding the submission of the audit report after the next meeting which was verbally agreed to by finance director.

Mr. Dorn advised that he spoke to Ms. Janna Hamilton of Garcia Hamilton & Associates. Ms. Hamilton advised that the firm has decided to close their equity investment accounts at the end of the year and focus solely on their fixed income investing. Ms. Hamilton advised that they wanted to give their client enough time to make the necessary changes that they would have to do. Mr. Dorn suggested to the Board that they direct him to contact Mr. Lee and have him do a RFP for a large cap manager to replace Garcia Hamilton & Associates. After some discussion, the Board agreed to this. Mr. Dorn advised that he would contact Mr. Lee regarding the RFP.

OPEN DISCUSSION:

Mr. Davis asked the Plan Administrator if the Plan received the fiduciary insurance from all of the Plan's various vendors. Mr. Dorn advised that we usually obtain the insurance binders from the vendors in April of each year. Mr. Dorn advised that he would move up the schedule and start obtaining the insurance binders this month. Mr. Dorn advised that he will report back to the Board when he has obtained all of the insurance binders from all vendors.

ADJOURN:

Mr. Mackie made a Motion to adjourn the meeting. Mr. Davis seconded the Motion. Motion passed 5-0. The meeting was adjourned at 7:12 P.M.



Greg Brilliant, Chairman

FOR THE BOARD