

TOWN OF DAVIE POLICE EMPLOYEES'  
PENSION PLAN  
MINUTES  
March 8, 2011

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The regular meeting of the Board of Trustees of the Town of Davie Police Employees Pension Plan was called to order by Chairman Brilliant March 8, 2011 at 5:00 p.m. at Town of Davie Police Department at 1230 South Nob Hill Road in Davie, FL.

**TRUSTEES PRESENT:**

Chairman Greg Brilliant, Trustee Edward J. Taylor, Trustee Jack Mackie, Trustee Larry Davis.

**ABSENT AND EXCUSED:**

Trustee Thomas DiMeglio

**OTHERS PRESENT:**

Fund Attorney Adam Levinson, Yiu Lai of DuLaney and Company, Karen Russo and Brad Rinsem of Salem Trust Company, Livia Nixon and Pete Prior of Benefits USA

**APPROVAL OF MINUTES:**

January 18, 2011

Trustee Taylor moved to approve the January 18, 2011 Special Meeting minutes and Trustee Davis seconded the motion and it passed 4-0.

February 8, 2011 Meeting Minutes

Trustee Davis moved to approve the February 8, 2011 meeting minutes as amended and Trustee Taylor seconded the motion and it passed 4-0.

**CONSENT AGENDA FOR APPROVAL: Warrant #150, 151 \$16,617.94**

Trustee Taylor moved to approve the Consent Agenda. Trustee Mackie seconded the motion and the motion passed 4-0.

**NEW BUSINESS:**

Salem Trust Report: Securities Litigation

Chairman Brilliant asked Salem if they would comment on their role as it pertains to security litigation cases. Ms. Russo noted that Salem provides access to their website to the attorneys that provide security litigation. Attorney Levinson noted that he has access to other clients to have on line viewing of the assets and asked if the Board would grant access for his firm. Trustee Davis moved to instruct Benefits USA to prepare a letter to Salem allowing Klausner & Kaufman online access to the website. Trustee Mackie seconded the motion and the motion passed 4-0. Mr. Rinsem addressed the Board providing a detailed explanation of their internet capabilities. It was noted that they are part of SEI computer systems that provide statements to most of the banks and trusts in

the country. Where asked, they also provide bank statements on a monthly basis. Attorney Levinson asked what was contained in the statements. The statements contain the transactions for the Fund and the check registers would contain the names, addresses, social security numbers and these are sent via the USPS to members of the board, if they ask for them, the administrators and the auditors. Mr. Levinson commented that he thought that is a dangerous document to be sending in the mail.

Mr. Rinsem thanked the Board for their support over the years. Mr. Rinsem said that as the President of Salem Trust Company, he values the relationship of the Davie Police account. Mr. Rinsem provided a handout noting that because of the issues that have been occurring with personal information being compromised, he went over the security measures that Salem has in place. After his presentation, he again thanked the Board for their business.

**Non Taxable dollars from monthly retirees**

Trustee Taylor noted that there are several retirees who have a portion of their monthly benefit that is non taxable money and stated that this issue is still pending and he was of the understanding that this was already corrected. Trustee Taylor said that he spoke with the actuary and advised them that some of the officers have had the calculation done and some have not. It is his opinion that the calculation should be done at the time of the distribution. Ms. Nixon commented that there are a couple of calculations available and based on employee ages. Attorney Levinson asked Ms. Russo what has been provided to her to date. Ms. Russo said she has been given the monthly amount but not the stop dates and has not been provided with all of the retirees non taxable dollars. It was noted that the non taxable dollars should be a part of the calculation whenever the member's calculations are done. The board discussed this issue at length with Attorney Levinson breaking it down to retirees with no information, some retirees with partial information but no cutoff date, and finally retirees with monthly information and cutoff dates. Mr. Prior commented that in his opinion and the way it works in other plans, the non taxable calculation is done at the time of filing for the retirement. Mr. Lai expressed concern stating that if the member is in the DROP that it would not be possible to calculate the non taxable dollars.

Chairman Brilliant noted that the Board can discuss this issue all evening and since the actuary is not comfortable performing the calculation because of ambiguity in the law, he would like to see perhaps just the lump sum amount provided to the retiree so they can provide it to their accountants. Trustee Davis moved to have non taxable calculation done on a lump sum and a letter sent to the retirees advising them of the lump sum portion and that it would be the responsibility of their tax accountant to prepare their taxes based on this information. This item was tabled until the April meeting so that Benefits USA and DuLaney & Company can research this item further and provide a report at the next meeting. Chairman Brilliant asked Ms. Russo if she would be on stand by next month by phone in case there were any questions.

**UNFINISHED BUSINESS:**

**Increase of Fiduciary Liability Insurance**

Mr. Prior noted that the insurance had been increased to \$2 million dollars and that the premium has been paid and was in the packet for ratification.

**ACTUARY REPORT:**

Mr. Lai provided a report on the contributions of the employees. Trustee Taylor said that he does see some names on the report that may not be accurate. Mr. Lai asked the trustees to review the names and advise him of any discrepancies.

**ATTORNEY REPORT:**

Attorney Levinson also provided a report on the identity theft issue. Attorney Levinson noted that if anyone is remotely suspicious, please contact the authorities immediately.

Attorney Levinson spoke on the use of the state money and tier 2 going to 300 hrs of overtime would cost over \$160,000. Once the Town receives the ordinance, it should go before council April 6, 2011. Attorney Levinson said the effective date of the minimum benefit will be the date of the passing of the ordinance. Trustee Mackie asked what happens if the plan does not have enough money to pay for all the minimum benefits? Attorney Levinson said that the Town reviewed the ordinance memo but did not comment on that issue. Attorney Levinson also provided a revised DROP application and reviewed the changes that are applicable to the current members. The trustees and union president noted that the amount of years does diminish even after 25 years of service. Attorney Levinson said he will revise the information and ordinance.

Attorney Levinson reviewed the letter from Mr. Lister, who represents Mr. Necolettos, noting that the decision to address the settlement letter must be approved by the Town. At that time, the Board could agree with it or not agree with it and make a decision at that time and then we can interpret the decision.

Attorney Levinson provided a brief report on pending legislation but at this time, it is too early to determine exactly what is going to happen. Attorney Levinson said he would advise the Board as more information becomes available.

**ADMINISTRATOR REPORT:**

**Identity Theft Report**

Chairman Brilliant reported that the number of members whose identity has been compromised is up to 102 and asked Benefits USA to comment. Mr. Prior reported that their server had been reviewed for security measures and noted that there are 3 firewall levels of security. Mr. Prior assured the Board that Benefits USA is not the only entity that has personal information for the police and firefighter plans, further noting that we do not have personal information for active members. Mr. Prior further stated that the comment being made regarding the Administrator being the common denominator was premature, inaccurate, and inappropriate. It was also noted that the annual reports submitted to the State contain some personal information and are sent in US mail certified return receipt requested and to date all have been delivered with no missing mail. Ms. Nixon stated that Benefits USA does whatever it takes to keep all retirees information secure.

**CHAIRMAN'S REPORT:**

Chairman Brilliant did not have anything further at this time.

**NEXT MEETING DATE:**

The next meeting date is April 12, 2011 @5:00pm

**ADJOURNMENT:**

Trustee Taylor moved to adjourn the meeting and Trustee Mackie seconded the motion and it passed 4-0. The meeting was duly adjourned at 7:30 p.m.

  
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Chairman