

TOWN OF DAVIE POLICE EMPLOYEES'  
PENSION PLAN  
MINUTES  
April 12, 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 April 12, 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 Thomas DiMeglio, Trustee Jack Mackie, Trustee Larry Davis.

**ABSENT AND EXCUSED:**

**OTHERS PRESENT:**

Fund Attorney Adam Levinson, Yiu Lai of DuLaney and Company, Livia Nixon and Pete Prior of Benefits USA

**APPROVAL OF MINUTES:**

March 8, 2011

Attorney Levinson suggested that page 2 be revised and will send Benefits USA the recommended changes. Under the attorney report regarding the ordinance change, it was noted that the commentary from Trustee Mackie regarding the cost of the benefit and if the Town cannot pay for the benefit then the benefit would be paid for with the 185 monies. Attorney Levinson suggested taking out some of the language. Mr. Prior said that he would do so. Trustee Davis moved to approve March 8, 2011 Meeting minutes as amended and Trustee Mackie seconded the motion and it passed 5-0.

**CONSENT AGENDA FOR APPROVAL:**

For Ratification:	Warrant # 152	\$23,805.27
For Approval	Warrant # 153	\$1,832.14

Trustee Taylor moved to approve the Consent Agenda. Trustee Davis seconded the motion and the motion passed 5-0.

**NEW BUSINESS:**

Impact Statement dated 3/21/11-Actuary

Mr. Lai reported that he is pulling the impact statement because there were some changes to be made and deferred the signing of it.

Buyback Form (Administrator)

Ms. Nixon reported that the form is in the trustees' packets and any member who wishes to purchase time must complete this form and return it to the administrator's office before anything is processed.

Deceased Retiree James Tarala

Ms. Nixon reported that a condolence letter was sent to Mrs. Tarala with the forms that need to be completed and sent back to Benefits USA as well as a copy of the death certificate. Trustee Taylor commented that sometimes it takes a while for a death certificate to be received and said the Board would not want Mrs. Tarala's benefit held up for this reason. Ms. Nixon said that will not happen, that she would contact Mrs. Tarala by phone and ask her to send back forms requested.

**UNFINISHED BUSINESS:**

There was no unfinished business to discuss.

**ACTUARY REPORT:**

Mr. Lai reported that they provided an impact statement for the proposed ordinance. Trustee Taylor noted that the impact statement needed some corrections, noting compensatory time is not correct stating that 95% of final average earnings is current, and the discussion about spouses' death and remarriage should state that the spouse's benefit is for life. Chairman Brilliant questioned life partners and if the plan should make the change as the board discussed previously. It was noted that during collective bargaining, it was agreed for health insurance purposes, that the member must comply with the Domestic Partner ordinance, as provided by the County. Trustee Taylor noted that it should be current in the near future, as soon as possible after the passing of the ordinance. Trustee Davis suggested that Attorney Levinson prepare an ordinance for the next meeting that can go forward as soon as the current ordinance passes.

Mr. Lai reported that the gains for the plan are very good for the year. Review their documents and add to the minutes. The cost for the plan for the year is 43.8% from 45.5% which is lower than last year. Mr. Lai advised the board that the valuation can be provided at the next meeting if the board wants to entertain, although it is the quarterly meeting as well. Chairman Brilliant said that we should go ahead and get it done. Mr. Lai also asked the board if they wanted to discuss the pretax issue. Chairman Brilliant reported that he spoke with Mr. DuLaney today and was advised that when they were with the Watson Wyatt they were never comfortable with providing tax information or calculations of the non taxable money. This issue was discussed at length with the board Attorney. Attorney Levinson suggested that the actuary provide the total amount but not how it is amortized. Trustee Taylor said this has to get done one way or the other noting that some members have had this done and others have not and that it should be consistent with all the retirees. Ms. Nixon reported that there is a formula that is normally done extending the amount of non taxable money over a period of months/years. Trustee Taylor asked who provided that figure and Ms. Nixon said it comes from the actuary; however; when the benefits are processed, the Custodian needs to have an exact date as to when the non taxable money ceases and the benefit becomes

fully taxable. Chairman Brilliant directed the actuary; custodian, attorney, and accountant should all get together and come back to the board meeting in June with a conclusion.

**ATTORNEY REPORT:**

Attorney Levinson reported that the Town reviewed two ordinances, the extended terms for the trustees to four years and permissive service credit. The permissive service credit ordinance was amended due to the collective bargaining agreement changing with the implementation of Tier 2 pension benefits. Attorney Levinson noted that the Tier 2 also had to meet the state minimums as noted by the Department of Management Services. Attorney Levinson provided comments between the Mayor and himself regarding pending legislation. It was noted that the pending legislation at the time of the conversation would not have any issues with the current pending ordinance. Attorney Levinson reviewed the current pending legislation that may have an impact on the ordinance and the plan. After cashing out all of the 185 monies for the benefit, the Town will be responsible for an additional 68k until the premium fund increases by that amount, to where the state premium will pay for the benefit. Chairman Brilliant noted that he believes the ordinance will reflect a change effective October 1, 2010.

Attorney Levinson also reported on the extension of the DROP noting the member cannot be employed more than 30 years of service.

Attorney Levinson also provided additional information regarding the identity theft issue noting that several plans are no longer using Social Security Numbers or they will only be using the last 4 digits. He stated that on the custodian will continue to use Social Security numbers for processing distributions and 1099's. Attorney Levinson also provided information regarding further potential identity theft using debit cards and asked the Chairman if they should send out further emails or notifications on the matter. Chairman Brilliant said that notifications have been sent and it is now up to the members to utilize the information. Attorney Levinson stated that a notice should be sent to the vendors not to use the social security numbers if they are not needed. Trustee Mackie moved to advise any future service providers with notification that social security numbers will no longer be provided and the motion was seconded by Trustee DiMeglio and the motion passed.

Attorney Levinson reported on the security litigation noting that this plan is the lead plaintiff against Rosetta Stone, with their security litigation attorneys. Attorney Levinson provided a background of the case for the trustees. Trustee Davis asked Attorney Levinson if he has reviewed the case and the documents noting that the name of the plan is not accurate on the certification document. Attorney Levinson reviewed the retainer agreement stating that it has the correct name and also noted that the certification name will be reviewed for accuracy.

Chairman Brilliant asked Attorney Levinson to provide the updated Summary Plan Description, the Summary Plan Description for Tier 2 employees and the new DROP forms. This item should be placed on the May meeting agenda.

**ADMINISTRATOR REPORT:**

Trustee Taylor asked if Ms. Tarala was taking the DROP money or leaving it in the Plan. Ms. Nixon noted that she sent Ms. Tarala the form to complete for the DROP but she did not return it yet. Trustee Taylor commented on the survivorship of a DROP account and asked if the survivor can leave the money in the DROP account, noting that this has never happened before. Attorney Levinson said he would research the issue and provide a response at the next meeting. Trustee Taylor also said that the survivor can roll it over if they want but they should also have to comply with the administrative fee. Trustee Taylor stated that the survivor should be sent a letter advising them of the risks of the plan.

**CHAIRMAN'S REPORT:**


Chairman Brilliant did not have anything further at this time.

**NEXT MEETING DATE:**

The next meeting date is May 10, 2011 @5:00pm

**ADJOURNMENT:**

Trustee Taylor moved to adjourn the meeting and Trustee Mackie seconded the motion and it passed 5-0. The meeting was duly adjourned at 7:30 p.m.

 5/10/11  
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Chairman