

TOWN OF DAVIE POLICE EMPLOYEES'
PENSION PLAN
MINUTES
June 14, 2011

The regular meeting of the Board of Trustees of the Town of Davie Police Employees Pension Plan was called to order by Trustee Taylor on June 14, 2011 at 5:00 p.m. at Town of Davie Police Department at 1230 South Nob Hill Road in Davie, FL.

TRUSTEES PRESENT:

Trustee Ed Taylor, Trustee Jack Mackie, Trustee Larry Davis,

ABSENT AND EXCUSED:

Chairman Greg Brilliant, Trustee Thomas DiMeglio

OTHERS PRESENT:

Fund Attorney Adam Levinson, Don DuLaney of DuLaney and Company, and Fund Administrator Pete Prior of Benefits USA

APPROVAL OF MINUTES:

May 10, 2011 Meeting Minutes

Trustee Davis moved to approve the May 10, 2011 meeting minutes and Trustee Taylor seconded the motion and it passed 3-0.

CONSENT AGENDA FOR APPROVAL:

For Approval:	Warrant #160	\$63.36
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Mr. Prior noted that the backup was in the trustee's packets for review. Trustee Davis moved to approve Warrant #160 for payment to Benefits USA and Trustee Mackie seconded the motion and it passed 3-0.

For RATIFICATION:	Warrants #157-159	\$26,678.39
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Ratification of DROP Disbursement K Tarala (Beneficiary of James Tarala)	<u>\$101,029.73</u>
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Total for Ratification	<u>\$126,708.12</u>
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Trustee Davis moved to approve paid Warrants 157 thru 159 and the DROP distribution to Mrs. Karen Tarala and Trustee Mackie seconded the motion and it passed 3-0.

NEW BUSINESS:

Rony Wendrow (deceased) beneficiary of Richard Wendrow

Mr. Prior reported that Chairman Brilliant notified Benefits USA that Ms. Wendrow had passed away. Mr. Prior stated that Ms. Nixon immediately stopped the benefit that was payable to Ms. Wendrow as she was receiving a beneficiary payment from her deceased husband, Richard and therefore, no further payments are due.

UNFINISHED BUSINESS:

There was no unfinished business discussed at this meeting.

ACTUARY REPORT:

Mr. DuLaney provided the board with a copy of the valuation, as well as to Benefits USA, along with extra copies for distribution to the State. Don reported that there is a new Division of Retirement mandate requiring the contributions to be determined as a combined percentage of Town and State contributions, applying directly to actual emerging covered payroll for a plan/fiscal year. The Town's contribution, approximately 44.5% of actual emerging covered pension payroll for fiscal year 2010-2011 is estimated at \$5,173,000 based on the October 1, 2010 covered payroll. Mr. DuLaney noted that active employees decreased from 153 members to 147 members with a covered payroll of \$11,618,000. It was noted that the average pay from the previous valuation was down \$100.00, average age increased slightly to 37.6 from 36.9 and the average years of service increase slightly to 9.1 from 8.5 years of service. Market value of the fund as of October 2010 was \$69,210,000, actuarial value of benefits \$73,793,000 and the present value of vested benefits was \$90,316,000. The Town's required contribution decreased from 45.5% to 44.5%. Don reported that the Chapter 185 funds for fiscal year 2009-2010 had an excess of \$29,778 over the base amount for a cumulative excess of \$182,273. Trustee Mackie moved to approve the valuation as presented. Trustee Davis seconded the motion and the motion passed 3-0.

Mr. DuLaney stated that he prepared a chart for the permissive service credit ordinance that just passed. The chart will provide a nominal cost for the benefit. Trustee Mackie asked if any member has taken advantage of this benefit yet. Mr. DuLaney stated that he has not heard from anyone on this yet.

ATTORNEY'S REPORT:

Attorney Levinson reviewed the letter regarding the drop statements. Trustee Davis questioned if a Notary can certify a signature and suggest changing that part of the letter to "acknowledge" as well as some other minor changes. Mr. Prior said he would have the changes made to the letter.

Also discussed is the lawsuit initiated by Mr. Necolettos. Attorney Levinson reviewed the lawsuit noting that he also advised the Town attorney, as the Town is also named in the lawsuit.

Attorney Levinson provided a memo from another attorney pertaining to the IRS portion of the pretax/post tax issue. The Board directed Benefits USA to place this issue back on the agenda for next month along with the memo.

Attorney Levinson distributed a memo regarding the legislation as well as an updated version of the interpretation of SB1128. It was noted that the Bill amended the amount of overtime to 300 hours that can be used for pensionable benefits, effective July 1, 2011 unless there is a collective bargaining agreement in place. There are some questions as to the effective date of the implementation of the Bill if there is a current collective bargaining agreement. Also accrued sick and vacation leave may not be treated as pensionable, according to SB 1128. Employees can contribute higher amounts with no expectations of increased benefits, as was in the past. Attorney Levinson noted that as more questions are answered regarding the Bill, he would advise the board accordingly.

Attorney Levinson also reported on the new ordinances 2011-18 and 2011-19. Ordinance 2011-18 amends the Plan to provide for the purchase of not more than five years of permissive service credit; permitting payment by installment over a period not to exceed five years and an effective date. Ordinance 2011-19 amends the Plan to allow for a second tier of employees (new hires); revising the definition of compensation in article 1; adding definitions of tier one and tier two in article 1; amending section 3.1b to provide for a three percent multiplier and 80% maximum benefit to the second tier; amending section 3.3b to revise the early retirement reduction to 3%; amending section 3.5 to adopt the minimum disability benefits under Chapter 185; amending section 4.31d to permit up to five years of DROP participation for members with up to 25 years of service and providing an effective date.

A draft of the SPD was distributed for the trustees to review the highlighted portions. Trustee Davis asked if the board or member should pay the actuary for the additional calculation as noted in the SPD. Trustee Taylor suggested that the cost of the calculation for the buyback is paid for by the board for the first time, any other calculations after that, the employee assumes the cost. Adam noted that page 23 will have the actuarial numbers for both tiers.

As for the drop, Attorney Levinson provided a new DROP application for review noting the changes on page 3, stating that there is a maximum of 60 months in the DROP and may not exceed 30 years of employment. Trustee Taylor asked if Attorney Levinson had any changes in the FAQ's. Attorney Levinson said he will have the revised FAQ's for the trustees at the next meeting.

ADMINISTRATOR REPORT:

Are You Alive Letters

Mr. Prior reported that the annual verification letters have been mailed to all the retirees and that Benefits USA is in the process of receiving them back and will keep the Board up to date with the progress.

CHAIRMAN'S REPORT:

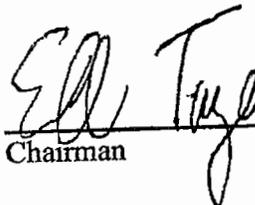
The Chairman was not present for this meeting.

NEXT MEETING DATE:

Mr. Prior reported that the next meeting is a regular meeting scheduled for July 12, 2011.

ADJOURNMENT:

Trustee Taylor moved to adjourn the meeting and Trustee Davis seconded the motion and it passed 3-0 the meeting was duly adjourned at 7:05 p.m.


Chairman