TOWN OF DAVIE POLICE PENSION PLAN
Minutes

August 7, 2012
5:00 P.M.

The regular meeting of the Board of Trustees of the Town of Davie Police Pension was called to order on behalf of the Board by the Plan Administrator Bob Dorn on August 7, 2012 at 5:06 p.m. at the Town of Davie Police Department, 1230 South Nob Hill Road in Davie, Florida

TRUSTEES PRESENT:

Mr. Greg Brillant - Chairman, Mr. Larry Davis - Secretary, Mr. Jack Mackie - Board Trustee, Mr. Thomas DiMeglio - Board Trustee & Mr. Ed Taylor – Board Trustee (arrived at 5:35 p.m.).

It should be noted that there was a quorum for the Board to have an official meeting.

OTHERS PRESENT:

Mr. Adam Levinson - Board Attorney; Mr. David Lee – Dahab & Associates; Mr. Dulaney – Board Actuary; Mr. Bob Dorn & Mr. David Williams - Precision Pension Administration, Inc.; Mrs. Deneen Bingham & Mr. Michael Harhai – Buckhead Capital Management; & Mrs. Janna Hamilton – Garcia Hamilton & Associates.

CONSENT AGENDA FOR APPROVAL:

WARRANT 276:

Warrant payable to Mr. DiMeglio regarding reimbursement for expenses from the FPPTA pension conference held on June/2012. The amount for this warrant is $534.84. Mr. Davis made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 4-0. (Mr. Ed Taylor off the dias).

WARRANT 277:

Warrant payable to Garcia Hamilton & Associates, L.P. for investment management services fees from April 1, 2012 to June 30, 2012. The amount for this warrant is $36,305.53. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 4-0. (Mr. Ed Taylor off the dias).

WARRANT 278:

Warrant payable to Professional Indemnity Agency, Inc. for fiduciary liability insurance from August 1, 2012 to August 1, 2013. The amount for this warrant is $8,474.76. Mr. Davis asked if either Mr. Dorn or Mr. Williams obtained other quotes for trustee liability insurance. Mr. Williams advised that he obtained other quotes for his other clients and the quote for this particular plan was the lowest provided. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 4-0. (Mr. Ed Taylor off the dias).

WARRANT 279:

Warrant payable to TAMRO Capital Partners, LLC., for investment management services fees from April 1, 2012 to June 30, 2012. The amount of the warrant is $14,478.05. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded this motion. The motion passed 4-0. (Mr. Ed Taylor off the dias).

WARRANT 280:

Warrant payable to Klausner, Kaufman, Jenson & Jenson for legal services rendered through July 2012. The amount of this warrant is $696.50. Mr. DiMeglio made a motion to approve this warrant. Mr. Davis seconded this motion. The motion passed 4-0. (Mr. Ed Taylor off the dias).

WARRANT 281:

Warrant payable to Dulaney & Company for actuarial services through July 2012. The amount of this warrant is $4,736.25. There was a correction on this invoice which reduced this amount by $82.50. The new amount of the warrant is $4,653.75 Mr. DiMeglio made a motion to approve this warrant as amended. Mr. Mackie seconded this motion. The motion passed 4-0. (Mr. Ed Taylor off the dias).

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the July 10, 2012 meeting. Mr. Dorn asked if there were any changes required to the minutes of the July 10, 2012 meeting. Mr. Brillant inquired if the return of contribution for Charlotte Velazquez was her entire amount. Mr. Dorn advised that the amount given was the entire amount based upon the numbers supplied by the actuary. No changes were offered. Mr. Davis made a motion to approve the July 10, 2012 meeting minutes. Mr. DiMeglio seconded the motion. The motion passed 4-0. Mr. Brillant signed the approved minutes.

OLD BUSINESS:

There was no old business.

NEW BUSINESS:

Mr. Brillant advised that he has a scheduling conflict for the next pension board meeting which is scheduled for September 11, 2012. Mr. Brillant advised that he is requesting to change the next meeting to September 18, 2012. All of the trustees agreed to the change for the next meeting. Mr. Brillant directed Mr. Dorn to make the proper notifications regarding the change.

INVESTMENT MANAGER'S REPORT:

GARCIA HAMILTON & ASSOCIATES:

Mrs. Hamilton advised that the stocks declined for the quarter & this was due to weak economic data out of the U.S., Europe, & China with renewed Europe debt concerns. While the consensus outlook still calls for respectable earnings growth in 2012, revisions have turned negative. Defensive stocks led the market with Telecom, Utilities, Consumer Staples, & Health Care the top sectors.

Mrs. Hamilton advised that the equities returned -5.8% while the Russell 1000 Growth return was -4.0 for the quarter. The fiscal year to date is better with a return of a positive 19.0 % & the Russell 1000 Growth return was a positive 21.8%. The one year & three year number is slightly behind the benchmarks but the five year number is better than the benchmark. Mrs. Hamilton advised that they have high quality stocks in your portfolio.

Fundamentally, the portfolio holding delivered another quarter of strong earnings. The exceptions to the strong earnings were the Nike & Tempur-Pedic stocks. Mrs. Hamilton advised that they still believe in the Nike stock & are holding it, but they sold off the Tempur-Pedic stocks in the portfolio. The stock selection was a negative factor given the exposure to growth-oriented stocks across the sectors. The two best preforming stocks in the portfolio were Holding-American Tower (up 12%), Walt Disney (up 11%) & eBay (up 14%).

(NOTE: Mr. Ed Taylor arrived at the meeting at 5:25 p.m.)

Stock price volatility returned during the quarter as investors reacted to the prospect of lower earnings, before shifting to hopes of additional central bank liquidity & a resolution to the European debt crisis. The first quarter's economic spurt was largely attributable to a warm winter & a bit of inventory rebuilding. As temperatures normalized, the underlying weakness reappeared which most notably was in employment. Earnings estimates were cut through the quarter. Current expectations call for the S&P 500 Index earnings of 8% ($104.90) above the 2011 earnings, but lower than the projections ($106.82) three months earlier. One theme remains constant since the March 2009 bottom, market returns have been dictated consistently by risk factors such as beta, with fundamentals being secondary. In the most recent quarter, investors rotated from high beta & into low beta names reflecting a "risk off" sentiment.

Preferences for dividend yield & earnings predictability dictated much of the performance differential. Posting top-tier performance, Telecommunications & Utilities comprise over 20% of the Russell 100 Value Index versus just 1% of the Russell 1000 Growth Index. Alternatively, Information Technology stocks (30% of the Russell 100 Growth Index verses 9% of the Russell 100 Value Index) exhibited weak performance over the past three months.

Viewed from a sector perspective, the quarter clearly favored areas that were best able to withstand an economic downturn. Telecommunications, Consumer Staples & Health Care each posted positive returns. Conversely, sectors requiring environment, Information Technology & Energy, fared the worst. Despite persistent Middle East tensions, crude oil declined 17.5% over a three month period to $85 per barrel on a combination of reduced demand & increased supply from Saudi Arabia & U.S. shale production. The demand in China & India decreased over the past quarter. At some point, lower crude prices should benefit consumer spending & industrial production.

The portfolio holdings continue to exhibit greater success at meeting or exceeding expectations. The 46 companies in the portfolio beat the expectation while 2 companies met their expectations & only 6 companies did not meet expectation. Over trailing periods, the investor's preference for risker assets since the market bottomed in March 2009 is evident in the wide margin of outperformance by low quality stocks relative to higher quality.

While the portfolio remains overweight economic sectors sensitive to an improvement in global economic conditions & resulting corporate earnings delivery, exposures have been reduced to reflect a more moderate near-term outlook. As of June 30th, the Industrial sector remained the largest overweight in the portfolio followed by Energy & Materials. The Health Care sector remains the most underweighted sector in the portfolio. The most meaningful changes in sector composition since the end of the prior quarter were a decrease in exposure to the Industrials & Energy sectors & an increase to the position in Consumer Staples stocks.

The following stocks were added to the portfolio: CSX Corp., General Mills, Philip Morris Intl., Yum!Brands, EMC Corp., Home Depot, Verizon Communication, GNC Holdings, Intel Corp & Wisconsin Energy. The following stocks were sold from the portfolio: Bank of America, Blackrock, Carbo Ceramics, Freeport McMoran, Corning, Cognizant Technology, Kirby Corp., Proctor & Gamble, Tempur-Pedic Intl., & Tiffany & Co.

The 2012 outlook remains constructive. Stocks prices were up 10% in the first half for good reasons: an accommodative Federal Reserve, a strengthening U'S dollar, low inflation rates; improving housing markets; solid corporate balance sheets; lower crude oil prices to benefit consumers & industrial manufacturing. Challenges lie ahead such as: domestic & emerging market economies are slowing; a European economic solution is unlikely in the near-term; the U.S. year-end "fiscal cliff" & federal deficits loom large; optimistic earning are being cut, making the P/E metrics less-reliable valuation indicators. Once earnings estimates have adjusted, prices should move higher. Need to keep in mind, corporate balance sheets & cash levels are overly conservative.

With a decline in rates, the bond market delivered a positive performance for the quarter with a return of 2.06% on the Barclays Capital Aggregate Index & a return of 1.48% on the Barclays Capital Intermediate Government/Credit Index. Your bonds in the portfolio returned a positive 2.2%. The fiscal year to date was a positive return of 7.0%. The one year number was a positive 7.8% return, the three year number was a positive 8.8% return & the five year number was an 8.6% return. These returns beat the bench mark each year.

Spread product was mixed as asset backed securities provided the only positive excess returns for the quarter with 26 basis points. Corporate bonds were hit the hardest with-127 basis points of excess return, while mortgage-backed securities & agencies delivered -59 basis points & -7 basis points of excess returns.

We expect the recovery to continue & believe treasuries remain overvalued at these levels. We are maintaining the duration of the portfolio marginally shorter than the benchmark. We remain overweighed in corporate bonds with an emphasis on financials. Given the current low levels of rates, we believe that rates will rise from here & spreads will continue to contract.

Mr. Levinson asked Mrs. Hamilton why this portfolio had so much in cash. Mrs. Hamilton advised that she had to raise money for the fund to reinvest this cash into another type of investment per the direction of the board. Mr. Lee advised that they took most of this cash & reinvested this into the UBS fund as was discussed in a previous meeting.

BUCKHEAD CAPITAL MANAGEMENT:

Mr. Michael Harhai advised that he will attempt to not re-cap the overview picture that Mrs. Hamilton explained but may have some over laps. The second quarter saw the end of the stock market's two quarter rally of worries about European debt problems & slowing economic growth led to a 9.9% loss in April & May. The market did gain back some of this lost ground in the last few weeks of the quarter after reports by the central banker resolve to further support global economies & a late month agreement for the European Union to bypass the Spanish government & provide funds directly to its banks. As a result, the S&P 500 Index finished the quarter with a 2.8% loss, while the NASDAQ Index lost 4.8%.

In mid-June, the Federal Reserve reiterated its commitment to maintain extremely low short term rates & extended its Operation Twist program in which its sells shorter term securities to buy longer term bonds in an effort to bring down those longer term yields. Increased tensions in Europe & global economic uncertainty led to flight to the highest quality bonds during the second quarter. The yield on the ten year Treasury fell 2.2% at the end of the March to 1.6% at the end of June. A similar decrease in yield on the thirty year Treasury translated to a return of over 12% for the quarter.

There was a reversal in fixed income sector performance in the second quarter, with Treasuries posting the best return of 2.8%, followed by corporates of 2.5% & mortgage-backed securities of 1.1%. Corporate spreads widened during the quarter, reflecting the weakness in the equity market & the "flight to quality" effect. Municipal bonds underperformed their Treasury counterparts, but posted a decent return for the quarter.

Some forecasts have the S&P 500 going as high as 14500 by the end of the year, no change in the president, & continue to no growth. The term for the end of the year is a fiscal cliff because of the liquidity in the market, tax cuts, payroll spending, & the factors that the fundamentals are not the bases for the investment in the market.

Buckhead's results were slightly behind the benchmarks for the quarter, as we remain in a position of shorter duration. Our overweighting in the corporates, which performed almost as well as Treasuries, kept us slightly behind the benchmark in the quarter. For the year to date & longer periods, we remain ahead of the benchmarks.

The top three stocks for the quarter were: AT&T which was up 40 basis points, PepsiCo which was up 23 basis points & Annaly Capital Management which was up 22 basis points. The top three underperforming stocks for the quarter were Cisco which was down 75 basis points, ITT Exelis which was down 50 basis points, & JP Morgan Chase which was down 49 basis points. We sold off Exelis & AT&T. We still believe that JP Morgan Chase is still one of the best in that particular field & are holding on to this stock for now. Two new recent stock purchases were Fifth Third Bank & Halliburton. We purchased Fifth Third Bank because at the onset of the financial crisis the bank management acted quickly to get ahead of the deteriorating loan quality & today boasts capital ratios that already meet the Basel III requirements. We believe the bank is now in position to benefit from the declining loan loss provisions & resumed asset growth. The purchase of Halliburton was that it is one of the largest providers of products & services to the energy industry. The company serves the entire process of the production of oil, from detection of new wells to drilling to transportation to storage. The company also is the leading proprietary technologies & services & is benefiting from increased globalization & service intensity as energy resources become more difficult to find & exploit. The recent decrease in oil & gas prices made us believe that we could get a high quality stock at a meaningful discount to its intrinsic value.

Mr. Harhai advised that they will no longer use Knight Trading for trading stocks. He advised that you may have heard that Knight Trading had a software problem, which caused a major problem for the company. The program made trades for over thirty minutes without human input for real clients. The company lost millions of dollars & its reputation. It is unknown whether the company will go bankrupt.

The bond portion of the portfolio had a positive 1.58% increase for the quarter but did not meet the benchmark which was at 2.06%. The fiscal year to date is at 4.01% & the benchmark is at 3.52%.

The liquidity in the market is cause a lot of problems with investment because it is not based upon the fundamentals. With so much cash to invest, the investors are taking more risks than they would & are not looking at the company. Mr. Davis advised that a professor advised that long term doesn't look good for the stock market & feels the shortage of food & social unrest will cause the continual decrease in the market. Mr. Harhai advised that there are several professors out there that are always saying the sky is falling, but they have to sell books & they may be right once in a thirty year period. Mr. Lee advised that the professor says to invest in food production, like farm land & timber. Mr. Lee advised that it is tough to invest in either of these two types of stock because of the closed end of buying farm land has to be purchase in large lots to make it worthwhile & timber is a ten to twenty year investment. Mr. Lee advised that there is another professor out there that they call Dr. Doom who is saying that it is a perfect storm & next year there will be a crash. Mr. Lee advised that these writers have to get the attention of the mass to sell their ideas.

INVESTMENT MONITOR REPORT DAHAB & ASSOCIATES:

Mr. Lee advised that economic indicators remain mixed. The good news included still positive but struggling GDP growth. There were essentially no positives among the standard indices. Aside from the S&P 500, small, medium & large-cap indices declined. The more economically sensitive sectors of the S&P 500 sectors declined more than the noncyclical components. The Fed extended Operation Twist program through year-end 2012, assuring that borrowing costs would remain at record lows. Everyone's focus continues to be the lack of sustained job growth. The US dollar weakened relative to the Euro. The GDP growth has slowed, but still remained positive at a rate of 1.5%. Economic uncertainty at home & abroad has uniformly hurt global equity markets & helped most bond markets, especially US Treasuries.

The last quarter was a wild ride in the stock market. A bad executed IPO for Facebook & huge JP Morgan derivative losses did not help investor sentiment. Despite the bad news, domestic stock market performance could have been worse.

Each country component of the MSCI EAFE Index of developed markets experienced negative results. It appeared that investors had lost confidence in the global equity markets & investing into bonds in a risk-off type of investing.

The Barclays Aggregated Index rallied 2.1% in the second quarter after advancing only .3% in the first quarter. The main reason remained investor fear which translated into a US Treasury buying. The Federal Reserve has made no move to prod interest rates upward. The Fed will keep interest rates the same for the next two years.

Mr. Lee advised that the retirement plan had a value of $87,084,111 at the end of the quarter. This amount represented a loss from the previous quarter of $1,808,460.00. The Total Fund composite portfolio returned -2.3%. Over the trailing year, the total portfolio's return was a positive 2.5%.

The Large Cap Equity returned -4.9% during the second quarter. Over the trailing year, the Large Cap Equity return was a positive 3.5%. The Mid Cap Equity returned -4.9%

during the second quarter. Over the trailing year, the Mid Cap Equity return was -2.2%. The Small Cap Equity returned -2.5% for the second quarter. Over the trailing year, the Small Cap Equity returned was –0.2%. The International Equity returned -6.5% for the second quarter. The International Equity over the trailing year returned-11.3%. The Real Estate returned 2.7% for the second quarter. Over the trailing year, the Real Estate Investment return was 12.2%. The Fixed Income returned 1.9% for the second quarter. Over the trailing year, the Fixed Income returned was 7.5%.

The asset allocation is with the guidelines set forth by the Board. Mr. Lee advised that at the end of the quarter, the following is the composition of the plan's total asset allocation: Large Cap Equities comprised 35.3% ($30.8 million), Mid Cap Equities comprised 7.2% ($6.3 million), Small Cap Equities comprised 7.5% ($6.5 million), International Equity comprised 9.5% ($8.3 million), Real Estate comprised 2.6% & Fixed Income comprised 33.4% ($29.1 million includes both Real Estate & Fixed Income) & cash & equivalents were 4.4% ($3.8 million).

Mr. Lee advised the account balance in June of 2007 was $61,209,350 & for the quarter ending Jun 2012, the plan assets were valued at $87,084,111. Mr. Lee advised the managers are doing what they were hired to do. Mr. Lee advised that he sees none of the managers to be concerned about at this point with the way the market has been.

Mr. Lee advised that there has been some discussion between Mr. Williams & Mr. Levinson regarding the Salem Trust holding accounts. Mr. Lee advised that the holding accounts are for the extra cash held by your custodian, Salem Trust. The two money market accounts are the prime & treasury. Mr. Lee advised that the prime account gives a little better return, but is more of a risk & more fees. The treasury is a lower risk & less fees involved, but a lower return than the other sweep account. Mr. Lee recommends that the plan only utilizes the treasury sweep account, while there is less risk & lower fees for the plan. After discussion among the Trustees, Mr. Mackie made a motion to notify Salem Trust to only utilize the treasury sweep account for the Plan. Mr. Taylor seconded the motion. The motion passed 5-0. Mr. Lee advised that he will work with Mr. Dorn & the representatives from Salem Trust to get this accomplished.

Mr. Lee advised that he wanted to provide a presentation on investing in Value-Added Real Estate. Investment vehicles consist of Public REITS, Private REITS, & Private Partnerships. Real estate risk varies by property quality & leverage. The problem with Public REITS is that it acts like a stock, & do not provide diversity. The problem with Private REITS is the liquidity can be quarterly & the complexity of the ownership agreements in the properties. Real estate is an excellent diversifier with returns superior to bonds, but inferior to most other alternative asset classes. The types of real estate property are office, industrial, multi-family (apartment), retail, hotels, self-storage, raw-land & development. The four real estate investment styles are (1) Core, (2) Core Plus, (3) Value Added, & (4) Opportunistic. Each of these types has different leverage amounts from the least leverage style of Core to the most leverage in Opportunistic. Core style is the low risk/return strategy with a buy & hold stabilized properties theme. The Core plus style is moderate risk/return which has some Core & Valued Add themes. The Value Add style is moderate to high risk/return strategy with opportunity to add value through operation, re-leasing, &/or re-development. The Opportunistic style is high risk/return with re-positioning of poorly managed, obsolete, &/or vacant assets.

There are also two other styles of real estate investment & they are called Fund of Funds & a Hybrid (combination of equity & debt real estate fund). Mr. Lee advised that the plan currently has a Core product that we have invested in. Mr. Lee advised that he will focus on the other styles outlined, but focus on Valued-Added Real Estate for the presentation.

Mr. Lee advised that Value-Added real estate seeks to acquire non-core assets to transform them into core real estate properties through reworking the debt, capital improvements, repositioning the property, leasing up the property, & stabilizing net operating income (NOI). This type will have greater exposure to raw land & development projects for investing. This style will tend to utilize greater leverage than core real estate funds. This style will offer higher risk & returns than Core or Core Plus, but less than Opportunistic. Mr. Lee gave some examples of Value Added properties in Broward County, Florida & they are the Fair lake complex in Weston & Plantation Colony in Plantation. Mr. Lee explained to the Board the potential income & value of the projects for these two investments.

Mr. Lee gave an overview of the current state of real estate investment. The Core real estate values have experience a sharp recovery from the 2008 real estate crises. Capitalization rates are near historical lows for AAA properties in the primary metropolitan areas. New investor money continues to flow into core real estate. As the real estate market experiences continued stabilization, value added properties that are acquired & converted into core property has the ability to provide excess returns.

Mr. Lee advised the historical returns, and the expected total returns. The historical returns for core real estate have been between 7-10%. The ability to increase return in a portfolio while reducing risk is the major appeal for real estate investing. Real estate investing has proven to be an effective hedge against inflation.

Mr. Lee advised that the Plan would need to allocate approximately $ 1.5 million to meet the Plans goals in real estate investments. Mr. Lee advised that he believes that the Valued Added style would be a good compliment to the current core style we have. Mr. Lee advised that he would like the Board's permission to conduct a search & bring back to the Board in October several different companies to review. Mr. Davis voiced some concern of going from a core product to a Value Added product while skipping the Core Plus area. Mr. Davis advised that the added leverage & risk may not be what this plan needs right now. Mr. Davis advised that the Board may want to table this topic to give a little more time to review the material for more discussion. Mr. Brillant advised that he would like to see a search completed but with the Core Plus & Value Added companies. Mr. Dulaney advised that the Value Added investment may mean that persons in the

DROP may have to wait a longer duration to obtain the balance of their DROP funds when they want to withdraw due to a delay in the investment returns. Mr. Dulaney advised that the current Core style makes the Plan wait up to three months to make the final calculations in some cases. Mr. Lee advised that it is possible with some of investment styles it may be longer than three months. Mr. Brillant advised Mr. Lee to proceed with the search & bring the results back to the Board in October. Mr. Lee advised that he would.

ATTORNEY REPORT:

Mr. Levinson advised that at the last meeting the Board wanted to know what administrative rules are in place. Mr. Levinson advised that there are currently four administrative rules in place at this time. The four rules are as follows: (1) Timing of DROP Account Distributions, (2) Accumulated Leave Transfers into DROP Plan, (3) Buybacks of Military & Prior Police Service & (4) DROP Account Distribution Options. Mr. Williams advised that he will ensure that the administrative rules are placed on the Board's web site.

Mr. Levinson advised that he completed the changes to the administrative rules regarding military buybacks, prior police service buybacks & permissive service credit. Mr. Levinson distributed a copy to all Board members for their review. Mr. Levinson cited sections 1 & 2 are copies of the Town of Davie's ordinance. In section 3, permissive service credit & divorce proceedings were added to this rule. In section 4, permissive service shall not be granted until participant is fully vested & has paid to the Plan the actuarial cost of the service purchased, as determined. No changes to section 5. In section 6, participant will not be billed for the actuary's cost of calculating one buyback, permissive service credit or calculation was added to this rule. Mr. Davis inquired that this rule means that a participant can have one calculation for free & has to pay for the rest. Mr. Levinson advised that is correct & what the Board directed him to draft at the July meeting. In section 7, there shall be no charge for the final retirement calculation by the actuary, upon the submission by the participant of a retirement application in the ordinary course. There were no changes to section 8. Mr. Levinson advised that all of the previous language remained the same except which he outlined. The Board discussed this topic & all agreed to the changes. Mr. Mackie made a motion to the changes made to the administrative rule regarding military buybacks, prior police service & permissive service credit. Mr. DiMeglio seconded the motion. The motion passed 5-0. Mr. Brillant executed the document.

Mr. Brillant asked Mr. Levinson if the Board should revise the current summary plan description. Mr. Levinson advised that there has been no new ordinance changes since the last document was completed, however he will review to ensure the information is conforms with all applicable laws and provisions. Mr. Brillant inquired if the current summary plan description had the tier 1 & 2 benefits. Mr. Williams advised that the current summary plan description does have the tier 1 & 2 benefits. Mr. Williams advised that the current document is on the web site. Mr. Levinson advised Mr. Dorn to place this topic on the agenda for the next meeting. Mr. Dorn acknowledged this request.

ACTUARY:

Mr. Dulaney advised that at the next meeting he will present a spreadsheet to the Board which outlines Cost of Living Increase for each retiree for the year 2013.

Mr. Dulaney distributed to the Board members a letter dated August 6, 2012 regarding the Town of Davie updated contributions to the police pension plan through July 31, 2012. Mr. Dulaney advised that Town of Davie total contributions for the 2011 - 2012 plan year, accumulated with interest to September 30, 2012 is $7,032,069. Therefore, additional Town of Davie contributions & interest credits (at 7.9% per annum) needed total $1,321,189. Mr. Dulaney advised that he determined that amount by taking the total required contribution of $7,032,069 & subtracting the amount paid thus far $5,517,850 to obtain the balance amount by the end of the fiscal year. The Town of Davie has four more pay periods left in this fiscal year so the amount needed for each pay period is approximately $340,000. Mr. Dulaney advised that he is monitoring this situation.

Mr. Dulaney had no other items for discussion.

PLAN ADMINISTRATOR:

Mr. Williams distributed Salem Trust class action filings for the Board to review.

Mr. Williams advised that he was reviewing several of the plans documents & discovered that the plan administrator did not have a signed copy of the investment guidelines for the plan. Mr. Williams advised that he checked with the attorney & monitor & everyone had a copy of the investment guidelines, but not a signed copy. The investment guidelines were approved in a February 2011 meeting & have not been changed since. Mr. Williams requested that the chairman sign the investment guidelines so he can submit them to the Town of Davie & State of Florida. Mr. Levinson advised that he would approve of this as long as the chairman crosses out the word adopted & replaces it with executed on this date. Mr. Lee reassured the Board that the guidelines have not changed since February 2011 & the investment guidelines in front of them are the current ones we are following. Mr. Lee advised that he will be changing the investment guidelines in the future because of the real estate investments, but a signed copy of this current agreement which needs to be executed. The Board agreed to execute the document. Mr. Mackie made a motion to direct Mr. Brillant to sign the investment guidelines. Mr. Taylor seconded the motion. The motion was approved 5-0. Mr. Williams advised that he will ensure that the signed investment guidelines are filed appropriately and will be published on the web site.

Mr. Lee asked Mr. Dorn to put on the agenda for October 2012 a review & execution of new investment guidelines. Mr. Dorn agreed to this.

A question arose related to the expense report contained in the Trustee meeting packet which is completed by the Plan Administrator. Mr. Williams explained that the reports are for informational purposes and breaks down expenses on a monthly as well as a fiscal year basis. Mr. Davis commented that he likes the reports & they are very easy to follow. Mr. DiMeglio also agreed with Mr. Davis comments.

Mr. Williams advised that there are no other pending issues at this time.

OPEN DISCUSSION:

There were not issues in open discussion.

ADJOURN:

Mr. DiMeglio made a motion to adjourn the meeting. Mr. Mackie seconded the motion. The Motion passed 5-0. The meeting was adjourned at 7:10 p.m.

Lawrence Jay Dorn, Secretary

Greg Brillant, Chairman