

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

June 11, 2013

5:00 P.M.

The regular meeting of the Board of Trustees of the Town of Davie Police Pension Plan was called to order on behalf of the Board by the Plan Administrator Bob Dorn on June 11, 2013 at 5:21 p.m. at the Town of Davie Police Department, 1230 South Nob Hill Road in Davie, Florida.

TRUSTEES PRESENT:

Mr. Jack Mackie, Board Trustee, Mr. Thomas DiMeglio, Board Trustee, Mr. Ed Taylor, Board Trustee & Mr. Larry Davis, Secretary (arrived at 5:36 p.m.).

EXCUSED ABSENCE:

Mr. Greg Brilliant, Chairman.

OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney - Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn & Patty Ostrander - Precision Pension Administration, Inc. & Don Dulaney, Actuary, Dulaney & Associates.

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

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the May 14, 2013 meeting. Mr. Dorn asked if there were any changes required to the minutes of the May 14, 2013 meeting. Mr. Mackie made a Motion to approve the May 14, 2013 meeting minutes. Mr. Taylor seconded the Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote). Mr. Davis arrived later in the meeting, reviewed the minutes & then signed the minutes.

WARRANT 374

This Warrant was for payment to State Street Global, for investment fees rendered from January 1st through March 31st 2013. The amount for this Warrant is \$2,252.31. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 375

This Warrant was for payment to Mr. Ed Taylor for reimbursement for the Klausner Client Pension Conference. The amount for this Warrant is \$117.20. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 376

This Warrant was for payment to Mr. Ed Taylor for reimbursement for the FPPTA Wall Street Pension Conference. The amount for this Warrant is \$1,841.52. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 377

This Warrant was for payment to Mr. Greg Brilliant for reimbursement for the State of Florida 175/185 Pension Conference. The amount for this Warrant is \$818.94. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. Mackie seconded this Motion. The motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 378

This Warrant was for payment to Klausner, Kaufman, Jensen & Levinson, legal services rendered through May 31, 2013. The amount for this Warrant is \$1,668.50. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 379

This Warrant was for payment to Mr. Ronald Batterson for his retirement payment. Mr. Batterson is retiring on June 27, 2013. This warrant will be reoccurring. The amount for this Warrant is \$4,543.90 per month, effective July 01, 2013. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 380

This Warrant was for payment to Mr. Corry DiBiase for a refund of his pension contributions. The amount for this Warrant is \$7,565.27 (\$9,456.59 minus 20% tax withholding). The foregoing was verified by Mr. Don Dulaney, Board Actuary. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 3-0. (Note: Mr. Davis was not present for this vote).

WARRANT 381

This Warrant was for payment to Stephen Olenchak for refund of his pension contributions. The amount for this Warrant is \$34,754.97 (\$43,441.71 minus 20% tax withholding). Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 4-0. Mr. Dorn requested from the Board that this Warrant be processed once Mr. Olenchak Sr., & Mr. Olenchak Jr., had time to review the monthly retirement benefit calculation that was competed today by Mr. Dulaney & we receive some type of notification that they received this calculation & that he still wants the return of contribution refund. Mr. Levinson advised that he agrees with this & he was going to speak about this disclosure issue during his portion of the meeting. The Board discussed this & agreed that this would be the best course of action. The Board then gave Mr. Dorn direction to wait to process this Warrant until

confirmation occurred. (Note: Mr. Davis arrived just prior to this Warrant being reviewed at 5:36 p.m.).

OLD BUSINESS:

Mr. Dorn advised the Board there was no reported update on Mr. Jenkins' financial situation. Mr. Dorn will monitor the situation.

NEW BUSINESS:

There was no new business.

ATTORNEY REPORT:

Mr. Adam Levinson once again advised that disclosure of all possible pension benefits options be given to Mr. Olenchak prior to payment. Mr. Levinson advised that he spoke to Mr. Dorn regarding postponement of the forfeiture review hearing regarding Mr. Stephen Olenchak Jr. for this meeting. Mr. Levinson advised that if Mr. Olenchak's option is to take a total refund of contribution, then there will be no need for a forfeiture review hearing on this topic. Mr. Levinson advised that he has received all of the police reports, Internal Affairs reports & court documents from Mr. Dorn.

Mr. Levinson advised the Board on Senate Bill 534 (SB 534). Mr. Levinson advised that compared to the original version of the bill was paired down to incorporate new Government Accounting Standard Board ("GASB"), significant disclosure requirements and substantial noncompliance penalties. The Florida Retirement System (FRS) is exempt from SB 534. Mr. Levinson advised that the two major items he would like to tell the Board of SB 534 is as follows: (1) a "run out date" which is a fictitious reporting of how long the current market value of assets can sustain the payment of expected retirement benefits based on projections that ignore the employer contributions, member contributions, assumed investment earnings and the receipt of premium taxes. Mr. Levinson gave some levity of this requirement in that this is like asking your doctor what your life expectancy would be, assuming that you stopped eating, drinking and breathing. (2) This bill also requires preparation of an annual financial statement using an assumed rate of return of 200 basis points lower than the plan's assumed rate of return/discount rate. Mr. Levinson advised that Senate Bill 1128 required from 2011 to disclose the present value of plan benefits using FRS 7.75% assumed rate of return has been deleted. Mr. Levinson advised that he will suggest to the Board that they also conduct a 200 basis point higher than the assumed rate financial statement so that there is clear understanding for both sides of the assumed rate.

ACTUARY REPORT:

Mr. Don Dulaney presented his invoice for services for April 2013 to the Board. The Board directed the Plan Administrator to pay the invoice. Mr. Dorn advised that we will process this invoice from Mr. Dulaney.

Mr. Dulaney presented to the Board the calculations he performed for a total refund of contributions and a monthly retirement payment (Ten year certain & Life thereafter benefit) for Stephen Olenchak Jr. The Board accepted these calculations related to Warrant # 381.

Mr. Dulaney advised that he submitted a total refund of pension contributions to Mr. Dorn regarding former member Corry DiBiase. Mr. Dulaney advised that Mr. DiBaise's contribution total is \$9,456.59. The Board accepted this calculation related to Warrant # 380.

Mr. Dulaney advised that he had been in contact with Mr. William Ackerman from the Town of Davie regarding a question related to the timing of the Town's contribution to the Davie Police Pension Plan. Mr. Dulaney advised that Mr. Ackerman advised him that the Town is looking into the possibility of making a lump sum payment into the Plan in October 2013 instead of making payment in each quarter to the Plan. Mr. Ackerman inquired as to how much reduction the Town would save on a lump sum payment instead of a quarterly payment. Mr. Dulaney discussed this issue with the Mr. Greg Brilliant, Chairman, & it was decided to complete a calculation for the Town, as it would potentially benefit both the Plan & the Town. Mr. Dulaney advised that a calculation was completed on this subject. Mr. Dulaney advised that if the Town of Davie made the required contribution on October 01, 2012 for the 2012 - 2013 plan year for the Davie Police Pension Plan, it would have saved 2.0% of covered payroll. Thus, the minimum funding requirement would have been 41.8%, rather than 43.8% of covered payroll. Mr. Dulaney advised that he informed Mr. Ackerman of this information via e-mail.

PLAN ADMINISTRATOR:

Mr. Dorn disseminated the monthly expense report & the fiscal year to date expense report for the Board to review. The Board reviewed this report with no inquires.

Mr. Dorn advised that he is still working on the procedures with the Town regarding insurance deduction from the retirement payments. Mr. Dorn advised that this process should begin in August 2013. Mr. Dorn advised that Salem Trust will have to add "line items" to their system & they are working on that.

Mr. Dorn advised that retired member Mr. Greg Tomasich was sent a \$10.00 check from Salem Trust for his yearly DROP distribution. Mr. Dorn advised that Mr. Tomasich removed his DROP funds several years ago. Mr. Tomasich sent the Plan a reimbursement check of ten dollars which Patty Ostrander processed & sent to Salem trust for deposit. Mr. Dorn advised that Salem Trust should not be sending out any distribution checks unless the Board has agreed to these distributions on a yearly basis just like we do with warrants for cola's, etc. The Board agreed to this. Salem Trust advised that their system was set up for these distributions years ago by the previous administrator. Mr. Dulaney advised that there are four members that receive these yearly

distributions from their DROP account. Mr. Dulaney advised that he will provide a spread sheet with the names & amounts that are distributed to retired members on a one-time yearly basis. Mr. Dorn advised that once we receive the names and amounts, a warrant will be completed & sent for the Board approval. The Board agreed to this procedure.

Mr. Dorn presented the Board with an agreement so that they can receive electronic quarterly reports from Dahab & Associates. Mr. Dorn advised that Dahab wants this release to send this via the web. Mr. Dorn advised that Mr. Williams had a conversation with Mr. Lee that this report was public record. Mr. Lee advised that this is his firm's policy going forward. The Board agreed to sign the e-mail release but did not want to sign a release to obtain the information for Dahab's internal computer server. Mr. Taylor made a Motion to approve the e-mail Dahab release form. Mr. Mackie seconded this Motion. The Motion passed 4-0.

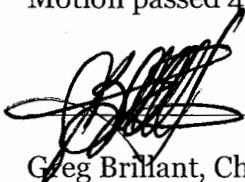
Mr. Dorn advised that he obtained the police reports, court reports & Internal Affairs documents regarding the incident involving Mr. Stephen Olenchak Jr. Mr. Dorn advised that at this time, Mr. Olenchak Jr. is requesting a total refund of his pension contributions and a forfeiture review hearing on Mr. Olenchak Jr. will not be needed. Mr. Dorn advised that Mr. Olenchak Jr. signed the release, waiver and refund of contributions while he was in prison and had a prison guard notarize the form. Mr. Dorn advised that he sent all of the forms to Mr. Levinson to review. Mr. Levinson advised that he reviewed the forms and approved them. Mr. Levinson advised that before the payment is completed, the calculations that Mr. Dulaney completed regarding Mr. Olenchak Jr. be sent to his father who has the power of attorney for his son, Stephen Olenchak Jr. Mr. Levinson also advised that he wants some type of confirmation that they received it before making the payment. The Board directed the Plan Administrator to send the calculations to Mr. Olenchak Jr. & wait to process Warrant 381 until confirmation is obtained. Mr. Dorn advised that he would comply with this request.

OPEN DISCUSSION:

There were no items for open discussion.

ADJOURN:

Mr. Mackie made a Motion to adjourn the meeting. Mr. Taylor seconded the Motion. The Motion passed 4-0. The meeting was adjourned at 6:07 p.m.



Greg Brilliant, Chairman