

TOWN OF DAVIE POLICE PENSION PLAN
Minutes

AUGUST 13, 2013

The regular meeting of the Board of Trustees of the Town of Davie Police Officers' Pension Plan was called to order on behalf of the Board by the Plan Administrator, Bob Dorn, on August 13, 2013 at 5:00 p.m. at the Town of Davie Police Department, 1230 South Nob Hill Road in Davie, Florida.

TRUSTEES PRESENT:

Mr. Greg Brilliant- Chairman, Mr. Larry Davis-Secretary, Mr. Jack Mackie-Trustee, Mr. Ed Taylor-Trustee and Mr. Thomas DiMeglio-Trustee.

Note: There was a quorum present to conduct an official meeting.

OTHERS PRESENT:

Mr. Adam Levinson- Board Attorney; Mr. Bob Dorn & Patty Ostrander – Precision Pension Administration, Inc.; and Mr. Don Dulaney- Actuary for Dulaney & Company; David Lawson – UBS Trumbull Property Fund (UBS-TPF); Deneen Bingham & David Griffin – Buckhead Capital Management; Janna Hamilton & Daniel Kallus –Garcia Hamilton & Associates; David Lee –Dahab & Associates.

CONSENT AGENDA

APPROVAL OF MINUTES:

The Board of Trustees reviewed the minutes for the July 09, 2013 meeting. Mr. Dorn asked if there were any changes that needed to be made. Mr. Taylor requested that on page 3 of 4, fourth paragraph, seventh sentence- Mr. Tomasich first name is Greg instead of Gary. Mr. Brilliant requested that on page 3 of 4, fourth paragraph, fifth sentence the word must be removed. No other changes were requested by the Board. Mr. Davis made a Motion to approve the minutes as amended. Mr. Mackie seconded the Motion. The Motion passed 5-0. Mr. Brilliant signed the minutes.

WARRANT RATIFICATION/APPROVAL

WARRANT 388:

This Warrant was for reimbursement to Trustee Mr. Mackie for the June 2013 FPPTA pension conference. This Warrant amount is for \$1,016.10. Mr. Davis made the Motion to approval this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 389:

This Warrant was for reimbursement to Trustee Mr. Taylor for the June 2013 FPPTA pension conference. This Warrant amount is for \$1,041.84. Mr. Mackie made the Motion to approval this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

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WARRANT 390:

This Warrant was for payment to Precision Pension Administration for the March 2013 quarterly newsletter. The Warrant amount is for \$700.00. Mr. Mackie made a Motion to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 391:

This Warrant was for payment to Rhumblin Advisors for investment advisory fees for the 2nd quarter of 2013. The invoice number is 4mdavie2013Q2. The Warrant amount is for \$1,978.00. Mr. Taylor made a Motion to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 392:

This Warrant was for payment to Dulaney & Company, Inc for actuarial services rendered through June 2013. The Warrant amount is for \$1,132.50. Mr. Mackie made a Motion to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

WARRANT 393:

This Warrant was for payment to Precision Pension Administration increase in administrative fee to begin the first of September/2013 and each month thereafter until further notice. The Warrant amount is for \$250.00. Mr. DiMeglio made a Motion to approve this Warrant. Mr. Mackie seconded the Motion. The Motion passed 5-0.

WARRANT 394:

This Warrant was for payment to TAMRO Capital Partners, LLC for investment advisory fees for the 2nd quarter of 2013. The Warrant amount is for \$17,135.62. Mr. Taylor made a Motion to approve this Warrant. Mr. Mackie seconded the Motion. The Motion passed 5-0.

WARRANT 395:

This Warrant was for payment to Professional Indemnity Agency, Inc. for trustee fiduciary liability insurance from August 1, 2013 until August 1, 2014. The Warrant amount is for \$9,756.20. Mr. Mackie made a Motion to approve this Warrant. Mr. Davis seconded the Motion. The Motion passed 5-0.

WARRANT 396:

This Warrant was for payment to Garcia Hamilton & Associates, L.P. for investment advisory/ management fees for the 2nd quarter of 2013. The invoice number is #24222. The Warrant amount is for \$38,974.35. Mr. Taylor made a Motion to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 397:

This Warrant was for payment to Goldstein Schechter Koch for a retainer for conducting the 2012/2013 audit of the pension plan. The Warrant amount is for \$3,000.00. Mr. Mackie made a Motion to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

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WARRANT 398:

This Warrant was for payment to Klausner, Kaufman, Jensen & Levinson for legal services through July 31, 2013. The invoice number is 14916. The Warrant amount is for \$930.00. Mr. Taylor made a Motion to approve this Warrant. Mr. Davis seconded the Motion. The Motion passed 5-0.

Warrant 399:

This Warrant was for payment to Retiree Ronald Batterson to increase his monthly retirement payment to reflect his cola increase of \$90.88 per month. This warrant is for the increase until further notice and the retro amount of \$90.88. Mr. Batterson's new monthly payment will be \$4,634.78. Mr. Taylor made a Motion to approve this Warrant. Mr. Mackie seconded the Motion. The Motion passed 5-0.

WARRANT 400:

This Warrant was for payment to Dulaney & Company for actuarial services provided through July 2013. The Warrant amount is for \$1,815.00. Mr. Mackie made a Motion to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

OLD BUSINESS:

Mr. Dorn advised the Board that Mr. Jenkins financial situation has not changed. The Board acknowledged this.

NEW BUSINESS:

There was no new business.

INVESTMENT MANAGER'S REPORTS:

GARCIA HAMILTON & ASSOCIATES:

Mr. Kallus advised that riskier low quality stocks continue to lead the sectors. There were no sector returns followed with a single theme as defensive and cyclical sectors were represented among both winners and losers. Health Care and Consumer Discretionary sectors were the leaders for the quarter and Utilities, Materials, and Energy sectors lagged behind. The consensus of the market calls for decent earnings growth in 2013 with estimates have continued to trend lower over the past few months which is reflecting a still sluggish global economy.

Mr. Kallus advised that the portfolio holdings continued to deliver solid earnings relative to expectations. Our stock selection was a negative factor which as previously stated that low quality stock leadership was across all the sectors. Sector allocation was a negative factor due to underweights in Health Care and Consumer Discretionary. Our outlook remains constructive based on underlying liquidity support from ongoing central bank actions and improving economic conditions. The portfolio remains meaningfully overweight in high quality stocks with bias to economically sensitive sections specifically in the Financial sector.

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Mr. Kallus advised that the equities portion of the portfolio under investment had a market value at the end of the quarter of \$19,472,954.47. The fixed income portion of the portfolio had a market value of \$17,525,356.33 and the cash & equivalents worth \$360,656.87. The total value of assets for the Town of Davie Police Pension Fund under investment is \$37,358,967.66.

Mr. Kallus advised that the equities return for the quarter was 1.0% and the benchmark returns for the Russell 1000 Growth was 2.1% and the S&P 500 was 2.9%. The funds return for the fiscal year to date is 7.4% and the benchmarks returns for the Russell 1000 Growth was 10.3% and the S&P 500 was 13.4%. The one year return for the fund was 14.5% and the benchmark returns for the Russell 1000 Growth was 17.1% and the S&P 500 was 20.6%.

Mr. Kallus advised that since March 2009 stock market bottom risk factors have dictated returns more than fundamentals. The breath of the market rally is attributable to Federal Reserve liquidity injections. This action by the Federal Reserve of increased liquidity in driving down interest rates and triggered investor rotation into riskier asset categories. We identify companies that have strong earning with superior fundamentals, which currently the market is not a primary focus. We believe over time a company with strong fundamentals and earning will yield more than less quality companies. The S&P 500 index earning projections are being steadily trimmed which is reflecting the economy backdrop. The investment style did not play a major role in performance. Growth stocks lagged behind Value stocks in large cap stocks. This lag in performance can be attributable to the underperformance in the Information Technology stocks.

Mrs. Hamilton advised that a meaningful portfolio overweight in highest quality stocks relative to the benchmark had a negative impact as this bucket of stocks were the worst performing in the market. Negative impact from stock selection was concentrated in three sectors. These three sectors were (1) Materials, (2) Consumer Discretionary, and (3) Informational Technology. Mr. Brilliant inquired to Mrs. Hamilton of why the fund is falling behind the benchmarks in the equities portion of the portfolio. Mrs. Hamilton advised that it has been a hard struggle for high quality investment managers to meet or exceed the benchmarks because of the lack of fundamentals in the low quality companies that stock prices and yields have been higher than higher quality companies with stronger fundamentals.

Mr. Mackie asked Mr. Lee if low quality stocks are doing better than high quality stocks, if so, what are we going to do about this moving forward. Mr. Lee advised that he agreed that lower quality, not saying bad companies, but smaller cap or mid cap companies are making the greater increases. Mr. Lee advised that to make a difference to capture this trend we would have to increase our small and mid-cap allocation. Mr. Brilliant inquired if this would be too late to make this change? Mr. Lee advised that he believes there is still going to be good returns in the small and mid-cap companies going forward. Mr. Lee advised that we could increase each allocation in these investment vehicles. Mr. Lee advised that he could come to the September meeting to discuss this issue further. Mr. Levinson advised that this would have a potential to change the investment guidelines.

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Mr. Levinson asked Mr. Lee to bring to the September 2013 meeting the proposed changes to the investment guidelines so that we can have this approved. Mr. Lee advised that he would bring proposed changes to the investment guidelines.

Mrs. Hamilton advised that the three top stocks for the quarter were (1) Cisco Systems, (2) W.W.Grainger and (3) Wells Fargo. The three worst performing stocks for the quarter were (1) CF Industries, (2) Qualcomm and (3) Ball Corporation. The portfolio remains positioned with an overweight in economic sectors sensitive to an improvement in global economic conditions and resulting corporate earning delivery. We have the Financial sector as our largest overweight in the portfolio because we believe this position will improve because of improved capital markets, recovering loan demand, and improving net interest margins.

Mrs. Hamilton advised that the fixed income return for the fund in this quarter was -2.3% and the benchmark return in the Barclays Capital Aggregate was -2.3%. The fiscal year to date return was -0.6% and the benchmark return in the Barclays Capital Aggregate was -2.2%. The one year return for the fund was 2.8% and the benchmark return in the Barclays Capital Aggregate was -0.7%. The portfolio is overweight in corporates compared to the benchmark. The portfolio average maturity is 6.8 and the benchmark is 7.5. The portfolio average coupon is 5.5 and the benchmark is 3.4. The portfolio average duration is 5.3 and the benchmark is 5.4.

Mrs. Hamilton advised that with the interest in rates, the bond market delivered negative performance for the quarter. The spread product underperformed as all sectors posted a negative excess return. We have taken advantage of the recent rate increases to close our duration gap to be more in line with the index. We remain overweight in corporate bonds with the emphasis on Financials and we have been extending some of our credits to take advantage of the steep yield curve. The recent increases in the rates, we believe rates will trade in a range with a bias lower in the short term.

Mrs. Hamilton advised that the market is off to one its best first half start since 1998. In the past, first half gains are followed by positive second half results 87% of the time. Double digit returns have occurred 23 times in the first half since 1950. The median second half return in those years equals 9.9%.

Buckhead Capital Management:

Mr. Griffin advised that while the United States economy is slowly recovering, Europe remains mired in a recession and growth in China is slowing dramatically. China has over a billion people and has over leveraged properties at this point. Mr. Brilliant advised that he watch a story on China's "ghost towns" with all of these building unoccupied. Mr. Griffin advised that China is moving from a rural society to a city driven society. Mr. David Lee then advised that China has positioned itself with an infrastructure for potential growth compared to other countries that has done little for growth, specifically India.

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Mr. Griffin advised that the Federal Reserve announced that the pace of bond purchases would depend upon employment and inflation levels. The market concluded that the Federal Reserve would soon begin to reduce QE III bond purchases, which could start as early as September 2013. This announcement led to a substantial sell-off in bonds.

Mr. Griffin advised that after the announcement of the Federal Reserve, investors then focused on the suggestion of the scaled back its quantitative easing sooner rather than later. The equity and fixed income markets promptly sold off with the S&P 500 falling almost 6% in the next few weeks. Although stocks recovered enough to post a modest gain for the quarter, but like I said earlier, bonds had their worst quarter since the 3rd quarter of 2008.

Mr. Griffin advised that given the performance of lower quality stocks, it is not surprising that small caps slightly out-performed the broader market with the Russell 2000 Index gaining of 3.1% in the quarter and a 15.9% in the first six months of the year. The Value Stocks with their heavier weighting in financials, again out performed growth-stocks. The financial and consumer discretionary sectors posted the biggest gains in the quarter. The energy, materials and utilities sector all had small losses.

Mr. Griffin advised that the market value of the asset is \$17,115,248. The fund produced a 3.17% return while the benchmarks in the Russell 1000 Value was 3.20% and Dow Jones Industrial Average was 2.27%. The funds fiscal year to date return was 13.19% and the benchmark returns in the Russell 1000 Value was 17.67% and the Dow Jones Industrial Average was 10.96%. Mr. Griffin advised that the high quality stock selection is the major reason for being behind the benchmarks. Mrs. Bingham advised that this is the low quality stocks yielding better returns than the high quality stocks returning less returns. Mr. Brilliant inquired to Mr. Lee about the quality issue in the returns. Mr. Lee advised that we have taken the hits in that the high quality stocks usually don't do as well in up markets as it does in down markets. Mr. Lee advised that we have followed this course so far in giving up some performance for protection. Mr. Lee advised that we have better protection in down markets with the styles of the Value and Growth Large Cap Managers and we make our higher gains in the other type of investments the plan makes. Mrs. Bingham advised that the fixed income has a market value of \$16,033,557. The total amount under investment by Buckhead Capital Management for the Town of Davie Police Pension Plan is \$34,636,958. The fixed income return for the quarter is -2.21% and the benchmark in the Barclays Aggregate return was -2.33%. The fiscal year to date return for the plan is -1.40% and the benchmark in the Barclays Aggregate is -2.24%. The one year return for the plan is 0.58% and the benchmark in the Barclays Aggregate is -0.69%. The three year number for the plan return for fixed income is 3.77% and the benchmark in the Barclays Aggregate is 3.51%.

Mrs. Bingham advised that the three top stocks for the quarter for the plan were (1) Microsoft, (2) Cisco, and (3) Staples. The three top stocks that were detractors for the fund were (1) Annaly Capital Management, (2) Verifone and (3) Exelon. Mrs. Bingham advised that the biggest addition to the plan was Apple, Inc. Mrs. Bingham advised that the company's stock was once selling for \$700 a share and has fallen to \$450 a share.

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Mrs. Bingham advised that we think that Apple's days of high revenue growth are over, but we believe the company can continue to innovate and strengthen its hardware/software products and services.

Mrs. Bingham advised that Buckhead confirms that they have reviewed the Florida State Board of Administration's quarterly listing of scrutinized companies and does not own any of the listed companies in your portfolio.

Mrs. Bingham advised that Buckhead Capital Management focus our risk management for our clients with asset allocation in companies with solid balance sheets, strong free cash flow, and shareholder friendly management teams. In fixed income portfolios, we manage credit and interest-rate risk by utilizing only investment grade bonds and maintaining an intermediate average maturity and duration. Our goal is for our clients to achieve the long term returns they require to meet their goals while taking no more risk than necessary to do so.

UBS Trumbull Property Fund (UBS-TPF):

Mr. David Lawson made the presentation for UBS Trumbull Property Fund. Mr. Lawson advised that on 7/2/2012, the pension plan invested one million dollars to UBS. On 6/30/13, the investment is now worth one million eighty-eight thousand dollars. This was a 9.8% increase on the plan's investment. Mr. Lawson advised that the pension plan is on the list to invest another two million dollars which UBS should be able to invest in about four or five more quarters.

Mr. Lawson advised that he first wanted to review with the Board the UBS organization. UBS is divided into five major divisions. These divisions are (1) Wealth Management & Swiss Bank, (2) Wealth Management Americas, (3) Investment Bank, (4) Global Asset Management and (5) Corporate Center. UBS has over 35 years of core and value added real estate investment experience. UBS has 21.8 billion of assets for over 450 clients. The real estate organization has 174 employees and offices in California, Connecticut and Texas. UBS has assets in (1) Apartments, (2) office, (3) retail, (4) Hotel, (5) Industrial, and (6) farmland. UBS has 38% of its assets invested in apartments and 27% in office properties. UBS has 40% of its total investment properties on the east coast and 32% on the west coast of the United States. UBS has 13.1% leverage on gross asset value of its properties. UBS has 180 different investment properties. UBS has returned a 7.85% annualized 10-year total return.

Mr. Lawson advised that the UBS fund income return outperformed the NFI-ODCE 100% of the time. He further advised that UBS fund return outperformed NFI-ODCE 78% of the time. Mr. Lawson advised that UBS has a consistent strategy and proven track record. UBS total return for the 2nd quarter was 3.4% and the NFI-ODCE return was 3.9%. The UBS one year number is 9.8% and the NFI-ODCE return was 12.2%. The UBS five year number is 1.8% and the NFI-ODCE return was -0.2%. The UBS ten year number is 7.9% and the NFI-ODCE return was 6.9%. Mr. Lawson advised that the one and three year numbers are lower than the index because of leverage on their properties. UBS properties are leased at 93% while NFI-ODCE properties are leased at 91%. UBS's has fixed rates on 98% of their properties.

Mr. Lawson advised that the long term goals of UBS would be to increase the percentage of apartments, retail, industrial and other properties. UBS would decrease the office holding. Mr. Lawson advised that what's available in the market will determine the amount and type of transactions the UBS will be involved in. There were bigger deals in 2011 than 2012. Mr. Lawson advised that too many of the 2012 deals were too expensive and not enough value from these properties and that is why in 2012 UBS did not have a lot of transactions.

Mr. Lawson advised that UBS still looking to expand its apartment holding because we don't believe that homeownership will increase that much over time and that homeownership is and has been the lowest level in years. A lot of things have influenced homeownership over the course of time. Some of these factors are high divorce rates, kids waiting longer to get married, more inter-city needs for housing, less job markets in rural areas and society is more transient.

Mr. Lawson advised that UBS' 2013 strategies are in acquisitions in apartments, industrial and retail with strategic use of debt and capacity for value-added.

MONITOR'S REPORT:

Mr. Lee advised that he will not review an overall picture of the market since the investment managers have covered these issues. Mr. Lee advised that the composite account return was 0.0%. Over the trailing year, this portfolio returned 11.7% and since 2008, the portfolio return 6.3 per annum. Domestic equities indices posted positive returns for the 2nd quarter. Large Cap Value beat Growth, while Small and Mid Cap favored Growth over Value. International stocks were down with developed countries faring better than emerging markets. The US dollar weakened relative to the Euro.

Mr. Lee advised that the market value of the portfolio as of 6/20/13 was \$101,459,541. The asset allocation is as follows: (1) Large Cap Equity has 35.8%, (2) Mid Cap Equity has 7.8%, (3) Small Cap has 7.9%, (4) International Equity has 9.5%, (5) Real Estate has 3.6%, (6) Fixed Income has 33.4% and (7) Cash has 2.1%.

Mr. Lee advised that the portfolio has beaten the benchmark 50% of the time over twenty quarters. Mr. Lee advised that Garcia Hamilton equity return for the quarter was 1.1% and the benchmark return was 2.1%. Buckhead equity return was 3.4% and the benchmark was 3.2%. Rhumblin equity return was 1.0% and the benchmark return was 1.0%. TAMRO return was 0.5% and the benchmark was 3.1%. Johnston return was -3.0% and the benchmark was -0.7%. SSgA return was -0.8% and the benchmark return was -0.7%. American Realty return was 3.4% and the benchmark was 3.9%. UBS return was 3.4% and the benchmark return was 3.9%. Buckhead fixed income return was -2.4% and the benchmark was -2.3%. Garcia Hamilton fixed income return was -2.3% and the benchmark return was -2.3%.

Mr. Lee advised that it has been shown that an active manager over the long term will outperform the index. Mr. Lee advised that he would like to increase the asset allocation

in the small and mid-cap funds to 10% each and lower the percentage in the large cap stocks. Mr. Lee advised that we will be receiving notice shortly of the investment into the new real estate investment. Mr. Lee advised that he would take the money from the Buckhead fixed income fund and the cash they have to meet this investment call. Mr. Lee also advised that he would like to put all of the bond money into the Garcia Hamilton fixed income. Mr. Lee advised that the Garcia Hamilton fixed income has done extremely well over the short and long term. Mr. Davis asked Mr. Lee if he could come to the September 2013 meeting to discuss these proposals in greater detail to discuss for the Board. Mr. Lee advised that he would.

Mr. Lee advised that the good news is the portfolio is making money and has done well in the short and long term.

ATTORNEY'S REPORT:

Mr. Adam Levinson advised he was contacted by an attorney representing Mr. Olenchak ex-wife. Mr. Levinson advised that Mrs. Olenchak is going to make a claim on the pension contributions made by Mr. Olenchak. Mr. Levinson advised that he told Mr. Dorn not to make any pension contributions until we can obtain a clear ruling from the court on whom and what amounts for distribution. Mr. Levinson advised that the ex-wife's attorney made a public records request for what Mr. Olenchak made for pension contributions and the potential monthly pension payment. Mr. Levinson advised that he told Mr. Dorn to complete the request. Mr. Levinson advised that Mr. Dorn fulfilled the request for records. Mr. Levinson advised that transparency for both sides is important so we do not have litigation in this issue for the Board.

Mr. Levinson advised that on July 23, 2013, Mr. Brilliant signed a class action lawsuit against Health Management Associates, Inc (HMA). The issue of the suit was the directors are improperly trying to strong-arm investors into rejecting a bid to replace the hospital operator's board because the directors were wrongfully refusing to drop provisions tucked into the lender agreements covering the company's \$3.5 billion in debt that call for accelerated payment if the board is removed. Mr. Levinson advised that debt documents commonly include provisions triggered by turnover of a majority of the company's boards to directors not approved by the incumbents they replace. These clauses, which effectively make a change in control more expensive, are dubbed "proxy puts" or poison puts" because of their ability to shield a board from hostile bidders. Mr. Levinson advised that the suit was won in that the board was changed and these provisions removed.

ACTUARY'S REPORT:

Mr. Don Dulaney advised that Salem Trust is upgrading their system to Sunguard. Mr. Dulaney advised that he has discovered no problems at this time.

Mr. Dulaney advised that he sent out Mr. Brigido's DROP statement. Mr. Dulaney advised that he was asked if Nancy Cook has exceeded her employee contributions based upon her retirement payments thus far. Mr. Dulaney advised that Nancy Cook's

employee contributions were \$66,760 which she has exceeded this amount in retirement payments. Mr. Dulaney advised that Mr. Ackerman requested the prepayment amount if the Town of Davie were to pay their contributions all up front. Mr. Dulaney advised that he had previously sent this information to Mr. Ackerman. Mr. Dulaney advised that he sent this information again. Mr. Dulaney advised that the Chapter 185 money was announced the plan will receive approximately a \$32,000 dollar increase from the previous year.

PLAN ADMINSTRATOR'S REPORT:

Mr. Dorn advised that there was a three way telephone conversation between Mr. Levinson, Mr. Hector Gonzalez (Mr. Olenchak ex-wife attorney) regarding the pension contributions and potential monthly retirement amount. Mr. Gonzalez advised that Mr. Olenchak's ex-wife will be making a claim for the pension contributions. Mr. Gonzalez made a public records request for Mr. Olenchak's total pension contributions and the amount of potential monthly retirement payment. I received direction from Mr. Levinson to fulfill the request. I sent Mr. Gonzalez the information via his e-mail which he acknowledged he received the information. Mr. Levinson gave me direction not to make any distributions to anyone at this point regarding Mr. Olenchak until we get a ruling from the court.

Mr. Dorn advised that he received the quote from Professional Indemnity Agency, Inc for the trustee fiduciary liability insurance in the amount of \$9,756.20. This is the lowest amount for this type of insurance that we were able to discover. This is the same insurance company and policy from the previous year. Mr. Dorn advised that he sent the policy to Mr. Levinson to review the previous year's insurance policy which will be the same as this year's policy. Mr. Levinson advised that he did review the policy and approves of this policy language. Mr. Davis made a Motion to approve this insurance and to give Mr. Brilliant and any other member to execute the contract when Mr. Dorn receives it. Mr. Taylor seconded this Motion. The Motion passed 5-0.

Mr. Dorn advised that Mr. Leslie Mathis has completed all of his DROP application documents and will be entering the DROP on September 1, 2013. Mr. Dorn advised that he sent a request to Mr. Dulaney for his retirement numbers. Mr. Dulaney advised that he is working on this request. Mr. Dorn advised that he has sent the notification to the Town of Davie regarding Mr. Mathis intentions for the DROP.

Mr. Dorn advised that Retiree Brigido has made a request to transfer his entire DROP amount to another retirement account. Mr. Dorn advised that he sent Mr. Brigido the necessary transfer documents and is waiting for a response.

Mr. Dorn advised that we are waiting on Mr. Robert Frailing decision on his benefit selection for his DROP. Mr. Dorn advised that he will keep the Board informed when the decision is done and will inform the actuary.

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Mr. Dorn advised that he received the arbitration agreement from Mr. Levinson for Officers Shannon and Moise who was returned to duty. Mr. Levinson advised that he reviewed the agreement and we must make sure that the Town of Davie takes the pension contributions from the two officers back pay that was awarded in the ruling. Mr. Dorn advised that he sent e-mails to the payroll department advising them of the request to obtain pension contributions from the officers prior to payment of their back pay. Mr. Dorn advised that he will be monitoring this situation.

Mr. Dorn advised the Board that Retiree Homenick had a problem with the August 1, 2013 retirement payment. Mr. Homenick requested a change in the form of his payment from direct deposit to the debt card program through Salem Trust. This change was done on July 14, 2013. Salem Trust made the necessary changes and sent via mail to Mr. Homenick the debt card. According to Mr. Homenick, he never received this card and informed Salem Trust and me on July 31, 2013 (Wednesday). We had Salem Trust send out a new card out to Mr. Homenick who received his debt card on August 5, 2013 (Monday). Mr. Homenick advised that he is going back to the direct deposit form of payment.

Mr. Dorn advised that Board of the contract from the auditor. The Board wanted the auditor to keep the price the same as the previous year with no increase. Mr. Dorn advised that he will contact the auditor for the reduction in their initial proposal. Mr. Dorn advised that he sent the engagement letters to Mr. Levinson. Mr. Levinson advised that he reviewed the engagement letters and approved them. Mr. Davis made a Motion to approve the contract if the price remains the same as the previous year and for approval of Mr. Brilliant and any other trustee to execute engagement letters. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

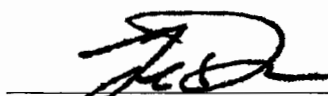
Mr. Dorn advised the trustees to contact Patty Ostrander if they want to attend the upcoming FPPTA Pension Conference.

OPEN DISCUSSION:

There were no items in open discussion.

ADJOURNMENT:

Mr. DiMeglio made a Motion to adjourn the meeting. Mr. Mackie seconded the Motion. The Motion passed 5-0. The meeting was adjourned at 7:31 p.m.
The next meeting date is September 10, 2013 at 5:00 p.m.


George Brilliant, Chairman
LAWRENCE TRAY DAVIS