

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

April 8, 2014

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 April 8, 2014 at 5:07 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, Board Trustee, Mr. Thomas DiMeglio, Board Trustee and Mr. Ed Taylor, Board Trustee

OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney, - Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn and Mrs. Patty Ostrander - Precision Pension Administration, Inc.; Mr. Don Dulaney- Dulaney & Associates; Mr. Amed Avila, Fiduciary Trust International; Mr. John Nasta- Davie Police Officer.

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 February 11, 2014 meeting. Mr. Dorn asked if there were any changes required to the minutes of the February 11, 2014 meeting. Mr. Davis made some changes. Mr. Mackie made a Motion to approve the February 11, 2014 meeting minutes with the changes made by Mr. Davis. Mr. Davis seconded the Motion. The Motion passed 5-0.

WARRANT 462

This warrant was payment to Dulaney & Associates for actuarial services for the month of January 2014. The amount of this warrant was for \$ 9,846.25. Mr. Davis made a Motion to approve this warrant for payment. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 463

This warrant was for partial DROP disbursement to Retiree Scott Kiso. The amount for this warrant is \$18,000.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

WARRANT 464

This warrant was for payment to Klausner, Kaufman, Jensen & Levinson for legal services rendered through February 2014. The amount for this warrant is \$1,100.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

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WARRANT 465

This warrant was for payment to Trustee DiMeglio for reimbursement for expenses to attend the FPPTA Conference in February 2014. The amount for this warrant is \$545.91. Mr. Mackie made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

NOTE: Warrants 462 through 465 were paid by Salem Trust. All other warrants will be paid for by Fiduciary Trust.

WARRANT 471

This warrant was for payment to Dulaney & Associates for actuarial services rendered for February 2014. The amount for this warrant is \$9,346.25. Mr. Davis made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

WARRANT 472

This warrant was for payment to Precision Pension Administration for the December 2013 quarterly newsletter. The amount for this warrant is \$500.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

WARRANT 473

This warrant was for payment to FPPTA for recertification fees for Trustee Taylor for 2013. The amount for this warrant is \$30.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 5-0.

WARRANT 474

This warrant was for payment to FPPTA for recertification fees for Trustee Mackie for 2013. The amount for this warrant is \$30.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

WARRANT 475

This warrant was for payment to FPPTA for recertification fees for Trustee Davis for 2013. The amount for this warrant is \$30.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 5-0.

WARRANT 476

This warrant was for payment to FPPTA for recertification fees for Trustee DiMeglio for 2013. The amount for this warrant is \$30.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 5-0.

WARRANT 477

This warrant was for payment to FPPTA for recertification fees for Trustee Brilliant for 2013. The amount for this warrant is \$30.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Davis seconded this Motion. The Motion passed 5-0.

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WARRANT 478

This warrant was for payment to Dahab & Associates for professional services rendered from 01-01-14 through 03-31-14. The amount of this warrant was for \$12,750.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 479

This warrant was for reimbursement to Robert Dorn for postage usage for plan administration. The amount of this warrant was for \$215.18. Mr. Taylor made a Motion to approve this warrant for payment. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 480

This warrant was for payment to Klausner, Kaufman, Jensen & Levinson for legal services rendered through March 2014. The amount for this warrant is \$560.00. Mr. DiMeglio made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

WARRANT 481

This warrant was for Retirement payment to Elizabeth Legacki starting May 1, 2014 and this amount will continue as per the plan payments for retirees. The amount of this warrant is for \$6,365.45 which does include her COLA. Mr. Mackie made a Motion to approve this warrant for payment. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 482

This warrant was for payment to Buckhead Capital Management for fees rendered from 10-01-2013 through 12-31-2013. The amount of this warrant is for \$32,256.86. Mr. Mackie made a Motion to approve this warrant for payment. Mr. Davis seconded this Motion. The Motion passed 5-0.

WARRANT 483

This warrant is for payment to Dulaney & Company for actuarial services rendered through March 2014. The amount of this warrant is \$3,980.00. Mr. Mackie made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

WARRANT 484

This warrant is for payment to Buckhead Capital Management for fees rendered from 01-01-14 through 03-31-14. The amount of this warrant is for \$27,887.10. Mr. Mackie made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

OLD BUSINESS:

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Mr. Dorn advised that there are no changes to Mr. Jenkins' situation. Mr. Levinson advised the Board that we should continue to stay in contact with Mr. Jenkins and to try and monitor his situation periodically.

Mr. Dorn advised that Mr. Avila from Fiduciary Trust will discuss the transition from Salem Trust to Fiduciary Trust.

NEW BUSINESS:

There was no new business.

FIDUCIARY TRUST REPORT:

Mr. Amed Avila was the representative for Fiduciary Trust. Mr. Avila gave an over view of the transition to the Board. The trading stopped on 3/28/2014 and the funds were supposed to be transferred on 4/1/2014. The cash was transferred but not the equities on April 1, 2014. The equities were not transferred until April 4, 2014, but not the mutual funds. Mr. Avila advised that Salem Trust representatives gave various reasons for the delay in the transfer. Mr. Avila advised that mutual funds were transferred on March 15, 2014. Mr. Avila advised that the retiree information was sent over to them on April 12, 2014. Mr. Avila advised that the retirees information and payment information was set up in their system but there were some problems. There were seven retirees who received their retirement payment on April 2, 2014 because of problems with the coding of retirees who had their payments go into two different banks and DROP reoccurring payments. Mr. Avila advised that the payments are not combined. The retirees will get one normal retirement payment and then their reoccurring DROP payment in a second deposit into their account. Mr. Avila advised that the payments for the seven retirees will be paid on the first of each month.

Mr. Dorn advised that he asked Mrs. Karen Russo, Vice President of Salem Trust the reason for the delay in the transfer of funds. Karen Russo advised in an e-mail response the following: It is widely recognized in the industry that changing a custodian is at the very least; a very labor intensive, complex and high risk process which requires constant monitoring and communication. In the business, it is second only to a change in the payer for benefits payments. It takes planning and coordinating of all parties associated with the transition. Most often, the change is accomplished as planned. Occasionally, there is a problem resulting in a delay, even with the best of planning. In the case of the Davie Police, our agreed upon goal was to complete the transition to the successor custodian on March 31, 2014. The benefit payment information was delivered in time for the successor custodian to process the April benefit payments. The cash in the account was transferred to the successor custodian on March 31, 2014. All but a couple of investments were transferred on April 2, 2014. The sufficiency and the accuracy of the information are paramount to the successful process, given the complicated nature of the

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assets coming from several holders. Sometimes at the expense of timing to achieve the desired outcome.

Mr. Levinson asked Mr. Avila if there is a process in place for tax refunds and class action settlements for funds held by Salem, but are now held by Fiduciary Trust. Mr. Avila advised that the standard fiduciary conduct in the industry is for the former custodian to contact the new custodian in these matters.

Mr. Davis advised Mr. Avila if this time period of transferring the funds was normal? Mr. Avila advised that the normal process is usually three to four days. Mr. Avila advised that Salem Trust has two different holding companies for various funds which may have caused the delay in the transfer.

Mr. Davis and Mr. Brilliant asked Mr. Levinson if the Board has a cause of action against Salem Trust for the delay in the transfer of funds because all of the money managers could not trade during this time period. Mr. Levinson advised that at the next meeting we could ask the monitor if the fund lost anything because of the delay. The Board agreed to ask Mr. Lee at the next meeting.

The Board asked Mr. Avila to attend the next meeting and provide an update. Mr. Avila agreed.

ATTORNEY REPORT:

Mr. Adam Levinson presented the attorney report to the Board. Mr. Levinson advised that Mr. Dorn inquired about the DROP application packet recently regarding a provision in the packet that refers employees to Article 4. The inquiry was whether we should add Article 4 to the DROP packet for the employees to review. The Board then discussed this issue. The Board and the Attorney agreed not to add it to the DROP Packet and at some point in the future to put a new icon on the web site for Town of Davie Pension Ordinances to cover this issue.

Mr. Levinson gave an update on the Olenchek case. The former Mrs. Olenchek is in the process of trying to have the Judge grant her all of Mr. Olenchek pension contributions and/or potential benefits. Mr. Levinson advised that Mr. Bob Klauser attended a hearing on this matter which was not billed to the plan, but billed to Mrs. Olenchek.

Mr. Levinson advised that the State is looking at the 175/185 statute for potential changes. Mr. Levinson advised that he will keep the Board informed on this issue.

Mr. Levinson advised that Steve Cypen will be joining their office in a strategic alliance. Mr. Levinson also advised that they will be expending their office and moving to another location towards the end of the year.

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ACTUARY:

Mr. Don Dulaney gave the actuarial report. Mr. Dulaney advised that Mr. Dorn inquired whether Mrs. Elizabeth Legacki should have a COLA increase with her first retirement payment. Mr. Dulaney advised that Elizabeth Legacki should have her COLA increase with her first payment. Mr. Levinson also agreed with this.

Mr. Dulaney gave the Board a composite of all members as of valuation date of October 1, 2013 for their review. There was no discussion on this issue.

Mr. Dulaney advised that he will be speaking to the Board in the future after he conducts a cost study on whether to recommend lowering the rate. Mr. Levinson asked Mr. Dulaney on the current status of the funded ratio for the plan. Mr. Dulaney advised that the funded ratio is 79.4 which raised from last year and has been getting better over the recent years. Mr. Dulaney advised that this is a very good thing for the plan.

PLAN ADMINISTRATOR:

Mr. Dorn disseminated the monthly expense report for the Board to review. The Board reviewed this report with no inquires. Mr. Dorn disseminated insurance deduction forms for the Board members to review.

Mr. Dorn advised that all current vendors of the plan submitted their fiduciary liability insurance binder to the plan administrator.

Mr. Dorn advised that Mr. Horvitz completed his DROP application and will be entering the DROP program on May 1, 2014. The Board acknowledged this. Mr. Dorn also advised that Elizabeth Legacki also completed all of the needed forms for her retirement on May 1, 2014. The Board acknowledged this.

OPEN DISCUSSION:

No discussion.

ADJOURN:

Mr. Mackie made a Motion to adjourn the meeting. Mr. DiMeglio seconded the Motion. The Motion passed 5-0. The meeting was adjourned at 6:28 p.m.



Greg Brabant, Chairman