

# TOWN OF DAVIE POLICE PENSION PLAN

## Minutes

September 09, 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 September 09, 2014 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, Board Trustee, Mr. Thomas DiMeglio, Board Trustee and Mr. Ed Taylor, Board Trustee

### EXCUSED ABSENCE:

None

### OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney, - Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn & Mrs. Patty Ostrander – Precision Pension Administration, Inc.; Mr. Don Dulaney - Dulaney & Associates; Mr. David Lee – Dahab & 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 August 12, 2014 meeting. Mr. Dorn asked if there were any changes required to the cited minutes. Changes were offered by Mr. Taylor, which were duly noted. Mr. Davis made a motion to approve the August 12, 2014 minutes with the noted changes. Mr. Mackie seconded the motion. The motion passed 5-0.

### WARRANT 525

This Warrant was for reimbursement to Robert Dorn for the condolence arrangement for the Kraynak family. The amount for this Warrant is \$125.00. Mr. Taylor made a Motion to approve this warrant for payment. Mr. Davis seconded this Motion. The Motion passed 5-0.

### WARRANT 526

This Warrant was for payment to FPPTA for fall trustee school attendance for Trustees Taylor, Brilliant, and DiMeglio. The amount for this warrant is \$1,350.00. Mr. Davis made a Motion to approve this Warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

### WARRANT 527

This Warrant was for payment to Goldstein, Schechter & Koch for retainer billing amount for the Plan's audit. The amount for this warrant is 3,000.00. Mr. DiMeglio

**TOWN OF DAVIE POLICE PENSION PLAN - Minutes**

**September 9, 2014**

**Page 2 of 6**

made a Motion to approve this warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

**WARRANT 528**

This Warrant was for reimbursement to Mr. Robert Dorn for reimbursement for postage used by the Plan from April/2014 through Aug/2014. The amount for this warrant is \$173.27. Mr. DiMeglio made a Motion to approve this Warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

**WARRANT 529**

This Warrant was for payment to Mr. James Moyer for his final DROP rollover to a qualified retirement account. Mr. Moyer will not have a DROP account after this transfer. The amount for this warrant is \$119,982.56 based on Mr. Don Dulaney's calculation. Mr. DiMeglio made a Motion to approve this Warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

**WARRANT 530**

This Warrant is for Mr. John Nasta for reoccurring monthly benefit payment effective October 01, 2014 in the amount of \$8,109.33 and a retro payment of \$618.00 (\$309.00 for each month- Aug & Sept 2014) based on Mr. Don Dulaney's calculation. Note: this amount will supersede the prior payment approved by the Board as a result of a recalculation by the Board Actuary, Mr. Don Dulaney. Mr. DiMeglio made a Motion to approve this Warrant for payment. Mr. Mackie seconded the Motion. The Motion passed 5-0.

**WARRANT 531**

This Warrant is for reimbursement to Trustee Lawrence Davis for travel and expenses for the FPPTA June/2014 pension conference. The amount for this warrant is \$987.18. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

**WARRANT 532**

This Warrant was for re-occurring increase for administrative fees to Precision Pension Administration, Inc based upon the agreement with the Board of Trustees. The amount for this warrant is \$250.00 effective 09-01-14. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. Taylor seconded this Motion. The Motion passed 5-0.

**WARRANT 533**

This Warrant was for payment to Klausner, Kaufman, Jensen & Levinson for legal services through August/2014. The amount for this warrant is \$1,820.00. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

**WARRANT 534**

This Warrant was for payment to Mr. Mark Williams for a partial lump sum DROP disbursement. The amount for this warrant is \$25,000.00. The Plan Actuary, Mr. Don Dulaney was duly advised. Mr. DiMeglio made a Motion to approve this Warrant for payment. Mr. Mackie seconded this Motion. The Motion passed 5-0.

**WARRANT 535**

This Warrant was for payment to Mr. Pete Sosa for a return of his employee contributions to the Plan. The amount for this warrant is \$1,319.89 based on Mr. Don Dulaney's calculation. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

**WARRANT 536**

This Warrant was for payment to State Street Global Advisors for investment management fees from 10/01/2013 to 12/31/13. (The invoice was received on 09-05-14.) The amount of this Warrant is for \$2,209.37. Mr. Mackie made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

**WARRANT 537**

This Warrant was for payment to Ms. Elizabeth Legacki for her first DROP rollover to a qualified retirement account. Ms. Elizabeth Legacki's intention is to rollover her complete DROP account. The second and final transfer will occur after the quarter returns are posted. The amount for this warrant is \$473,508.32 based on Mr. Don Dulaney's calculation. Mr. Taylor made a Motion to approve this Warrant for payment. Mr. DiMeglio seconded this Motion. The Motion passed 5-0.

**OLD BUSINESS:**

Operating Rules & Procedures - The Board of Trustees reviewed the draft document. Each Board Member along with Mr. Levinson and Mr. Dorn discussed the procedures and rules for the Plan. Several amendments were offered & duly noted. A red-lined draft will be created & presented at the next meeting for consideration.

**NEW BUSINESS:**

There was no new business.

**INVESTMENT MONITOR REPORT:**

Mr. David Lee advised that he has several topics to discuss with the Board. The topics are as follows: (1) Increasing the Real Estate investment to 10%, (2) Transferring all of the Buckhead Capital fixed income investments to Garcia Hamilton, and (3) Re-balancing the Vanguard Index Large Cap Fund with 50% of the large cap funds and the active managers (Garcia Hamilton and Buckhead) with the other 50%.

Mr. Lee advised that currently the Plan has a little over 7.5% invested in real estate. The increase to 10% in the real estate investment category will be funded by the fixed income funds from Buckhead. Mr. Lee advised that there would be a lag before the funds will be invested into real estate as we are in a queue for a Capital Call. As such, the funds would go to the Garcia Hamilton Fixed Income account and transferred to the real estate fund when the Capital Call is made. The Board asked Mr. Lee which real estate fund he would want the funds to be invested in. Mr. Lee advised that he is suggesting Intercontinental Real Estate.

Mr. Lee then advised that he would suggest to the Board that the entire Buckhead Capital Fixed Income portfolio to be transferred to the Garcia Hamilton Fixed Income account as noted above. Mr. Lee advised that he believes the Plan would receive a slightly higher return on the fixed income. The Board agreed in consensus.

Mr. Lee then advised that he would like to see the Plan receive more of a return in the Large Cap Equity portion of the Plan. Mr. Lee exhibited to the Board several graphs and charts which displayed the reason for the downside protection that both active Large Cap managers give the Plan. Mr. Lee also displayed the upside with the Vanguard Index Fund. Mr. Lee presented to the Board with his recommendation to have 50% in active investment and 50% in passive investment. Mr. Lee advised that the Plan would get a little more upside to this balance and still receive the downside protection. Mr. Lee advised that the Board would have to take three million dollars from Garcia Hamilton Large Cap Equity Fund and one million dollars from the Buckhead Capital Large Cap Fund to achieve this balance. The Board agreed in consensus.

Mr. DiMeglio made a Motion to increase the real estate investment to 10% of the fund, authorize the Chairman to execute all require documents entering into the queue with Intercontinental Real Estate upon Attorney review. Mr. Mackie seconded the Motion. The Motion passed 5-0.

Mr. Mackie made a Motion to transfer "in kind" the total balance of the Buckhead Capital Fixed Income account to the Garcia Hamilton Fixed Income account as soon as administratively practical. Mr. Davis seconded this Motion. The Motion passed 5-0.

Mr. DiMeglio made a Motion to transfer three million dollars from the Garcia Hamilton Large Cap Equity account and one million dollars from the Buckhead Capital Large Cap Equity account to the Vanguard Index Fund as soon as administratively practical. Mr. Mackie seconded the Motion. The Motion Passed 5-0.

#### **ATTORNEY REPORT:**

Mr. Levinson presented to the Board the complaint against CommVault. Mr. Levinson reviewed the document with the Board. Mr. Brilliant executed the documents for the lawsuit. The Board had voted via Motion to approve the lawsuit in the 8/12/2014 meeting.

Mr. Levinson discussed a hypothetical situation involving termination and reinstatement following an arbitration proceeding to the Board. If an employee were terminated from the agency and then went to arbitration but in the interim started to collect his / her normal retirement benefit. Could the employee be allowed to come back to work and re-enter the pension plan? Mr. Levinson advised that the member / employee could come back to work, and also re-enter the pension plan; (1) if reimbursement was received by the Plan from the affected party in the amount of the monthly pension benefits made, along with all costs and interest and (2) if it was based on the arbitration award. Mr. Levinson advised that the arbitrator ruling has to be specific in these situations.

**ACTUARY:**

Mr. Dulaney advised that he completed Mrs. Tiffany Richards' calculations and submitted them to Mr. Dorn.

Mr. Dulaney disseminated to the Trustees a draft of a COLA spread sheet for the Board to review for all retirees for 2015. Mr. Dulaney advised that he will have the final version at the next meeting.

Mr. Dulaney advised that he was working on Mr. Edward Kraynak's calculations. Mr. Dulaney asked the Board to determine when the beneficiary form was changed. Mr. Dorn advised that the latest date is June/2014 and the earliest date would be September/2012. The Board reviewed the situation and discussed this issue with Mr. Levinson. The Board decided to use June/2014. Mr. Levinson explained to the Board that under the State Statute a retiree can change his beneficiary twice, but it is based on actuarial adjustment. Mr. Dulaney advised that he will be working on this and send the information to Mr. Dorn. Mr. Dorn advised that he has spoken to Ms. Nicole Kraynak (daughter of deceased) and briefed her on the status of the claim.

Mr. Dorn requested that Mr. Dulaney have on-line access to read only the accounts held by Fiduciary Trust. The Board agreed to this. Mr. Dulaney executed the necessary documents for Fiduciary Trust.

**PLAN ADMINISTRATOR:**

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

Mr. Dorn advised they have started the audit process with GSK.

Mr. Dorn advised that Mr. Ryan Shannon has submitted all of his documents for his military buy back and has started the payroll deduction payment method. The Board acknowledged this.

Mr. Dorn informed the Board that Mrs. Tiffany Richards has inquired about applying for a Disability Pension Not Related to Employment. Mr. Dorn advised that he had the actuary conduct two calculations regarding Mrs. Richards. The first calculation is if she retired 9/1/14 and received her normal retirement at her earliest possible time. The second calculation is if she had her Disability Pension Not Related to Employment approved. Mr. Dorn advised that he received the calculations and has sent them to Mrs. Richards. This matter is pending at this time.

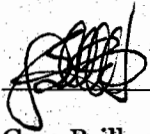
Mr. Dorn advised the Board that Mr. Martin Van Gils entered the DROP several months ago and still has not made a benefit selection. Mr. Dorn advised that he has sent several emails and letters to Mr. Van Gils regarding this matter.

**OPEN DISCUSSION:**

No Open Discussion.

**ADJOURN:**

Mr. Taylor made a Motion to adjourn the meeting. Mr. DiMeglio seconded the Motion. The Motion passed 5-0. The meeting was adjourned at 7:27 p.m.



\_\_\_\_\_  
Greg Brilliant, Chairman