

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

March 13, 2018

4:00 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 March 13, 2018 at 4:04 P.M. at 13790 N.W. 4th Street, Suite 105, Sunrise, Florida.

TRUSTEES PRESENT:

Mr. Greg Brilliant – Chairman; Mr. Lawrence Davis – Secretary; Mr. Thomas DiMeglio – Trustee; & Mr. Ed Taylor – Trustee.

ABSENT:

Mr. Jack Mackie - Trustee.

OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney - Klausner, Kaufman, Jensen & Levinson; Mr. Don Dulaney, Board Actuary – Dulaney & Company; Mr. Bob Dorn, Plan Administrator – Precision Pension Administration, Inc.; Mr. Paul Ortenzo, active member; Mr. David Lee, Performance Monitor – Dahab & Associates; & Mr. Erik Sherman – Voya Representative.

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

PUBLIC DISCUSSION:

No public comments presented.

CONSENT AGENDA:

The following Warrants were reviewed and approved by the Board:

MINUTES:

The Board reviewed the February 13, 2018 Town of Davie Police Pension Plan meeting minutes. Trustee Davis made a Motion to approve the February 13, 2018 meeting minutes. Trustee Taylor seconded the Motion. The Motion passed 4-0.

WARRANT 1030

This Warrant is to Fiduciary Trust for quarterly custodial fees for Clearbridge. The amount of this warrant is \$1,014.70. A Motion was made by Trustee Taylor to approve this Warrant. Trustee DiMeglio seconded the Motion. The Motion passed 4-0.

WARRANT 1031

This Warrant is to Fiduciary Trust for quarterly custodial fees for LMCG. The amount of this warrant is \$865.82. A Motion was made by Trustee Taylor to approve this Warrant. Trustee DiMeglio seconded the Motion. The Motion passed 4-0.

WARRANT 1032

This Warrant is to Fiduciary Trust for quarterly custodial fees for PNC. The amount of this warrant is \$1,113.89. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0.

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

March 13, 2018

Page 2 of 5

WARRANT 1033

This Warrant is to Fiduciary Trust for quarterly custodial fees for Clearbridge LRG. The amount of this warrant is \$1,192.20. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0.

WARRANT 1034

This Warrant is to Fiduciary Trust for quarterly custodial fees for R & D. The amount of this warrant is \$102.81. A Motion was made by Trustee Taylor to approve this Warrant. Trustee DiMeglio seconded the Motion. The Motion passed 4-0.

WARRANT 1035

This Warrant is to Fiduciary Trust for quarterly custodial fees for Mutual Funds. The amount of this warrant is \$3,481.57. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0.

WARRANT 1036

This Warrant is to Fiduciary Trust for quarterly custodial fees for GHA Fixed. The amount of this warrant is \$4,361.29. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0.

WARRANT 1037

This Warrant is to Fiduciary Trust for quarterly custodial fees for Lyrical. The amount of this warrant is \$1,200.51. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0.

WARRANT 1038

This Warrant is to Greg Brilliant for trustee reimbursement for the IFEBP Conference. The amount of this Warrant is for \$485.00. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0.

WARRANT 1039

This Warrant is to Mr. Robert Dorn for postage reimbursement for pension plan mailings. Receipts were attached to Warrant for review. The amount of this Warrant is for 33.50. . A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0

WARRANT 1040

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal services rendered to the pension plan through 2/28/2018. The invoice number is 21350. The amount of this Warrant is for \$2,390.00. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0

WARRANT 1041

This Warrant is for James Carney for a DROP disbursement from his DROP account. A Motion was made by Trustee DiMeglio to approve this Warrant. Trustee Taylor seconded the Motion. The Motion passed 4-0

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

March 13, 2018

Page 3 of 5

NEW / UNFINISHED BUSINESS:

No new or unfinished business.

MONITOR REPORT:

Mr. David Lee made the presentation for Dahab & Associates. Mr. Lee presented to the Board the search results for the self-directed DROP providers. The two providers are (1) ICMA-RC and (2) Voya Retirement Insurance & Annuity Company (Voya). Mr. Lee gave an outline of the following items for each provider to the Board: (1) total number of assets in each provider, (2) total number of clients and DROP clients, (3) client service team, (4) number of funds in the provider's platform, (5) use of brokerage options, (6) use of outside funds for costs and (7) fee schedule. Mr. Lee also spoke about the on-line platforms for each provider. The Board and Mr. Lee discussed these issues. Mr. Sherman also spoke about his potential role with Voya as the Plan's representative and providing education to the participants. The Board discussed with Mr. Sherman the cost(s) involved with the education and individual management. The overall fee structure and the fact that the Town is currently using Voya for its members for individual retirement options gives a familiarity with Voya. After discussion, the Board decided to select Voya without the costs of the education and individual management. Trustee DiMeglio made a Motion to hire Voya Retirement Insurance & Annuity Company (Voya) for the Pension Plan's self-directed DROP without the education and individual management costs. Trustee Taylor seconded the Motion. The Motion passed 4-0. The Board directed Mr. Levinson to start the contract process with Voya representatives and to ensure that all necessary audit reports will be submitted to the Plan's Auditors and Plan Administrator when requested.

The Board discussed a variety of issues regarding the selection of the various different mutual funds, how many funds and what type of funds will be used for the self-directed DROP members. Mr. Lee advised that there are usually 20-30 mutual fund options for the member to invest in. The Board will speak about this again at the next meeting, but they have initially agreed to have the same or similar type selections that the Town of Davie uses from Voya for its 457 members. Mr. Brilliant advised that the Town of Davie reviews the funds that the members invest with Voya at least once a year. Mr. Lee advised that his firm will add the Morningstar review for each fund the Pension Plan allows its members to invest in on a quarterly basis for no charge. There is an issue of the costs involved for the audit. Mr. Levinson advised that he will speak to the auditors regarding this issue and keep the Board updated.

ATTORNEY REPORT:

Mr. Adam Levinson made the presentation for Klausner, Kaufman, Jensen & Levinson. Mr. Levinson gave a summary of Senate Bill 376 which is regarding post traumatic stress disorder (PTSD). This bill passed 33-0 in the Senate and 114-0 in the House. The Governor has until March 27, 2018 to decide whether or not to veto the bill. If it becomes law, the Division of Financial Services will also be adopting rules. This bill revives the workers' compensation "impact rule". As a result, physical injury is no longer required for a first responder to receive workers' compensation benefits for PTSD. While the bill is primarily intended to extend workers compensation benefits under Chapter 440, the bill is anticipated to broadly apply to first responder benefits under Chapter 175 & 185. There are eleven circumstances for a qualifying event that must be present to come

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

March 13, 2018

Page 4 of 5

under this bill. This bill does not bind the pension boards in this area of disabilities but it is used to assist and instruct. Mr. Levinson advised that he will keep the Board updated on this bill at the next meeting.

Mr. Levinson presented drafts for the new (1) Frequently Asked Questions on the Deferred Retirement Option Program, (2) DROP Application and (3) a copy of the Town Ordinance 2017-028 which covers these items and the self-directed DROP. Mr. Levinson requested that the Board review these drafts and at the next meeting a discussion on these items will occur. The Board agreed to this.

Mr. Levinson gave a brief update on the Thomas Squarini disability case. They are in the process of obtaining a different medical firm for the Independent Medical Examination (IME) because the medical firm they normally use is the firm that is currently treating Mr. Squarini. Mr. Levinson advised that he will keep the Board updated on this issue.

ACTUARY REPORT:

Mr. Dulaney made the presentation for Dulaney & Company.

Mr. Dulaney presented to the Board the Actuarial Valuation of the Town of Davie Police Pension Plan report as of October 1, 2017. The required funding amount for the plan/fiscal year ending September 30, 2018, to be met by the Town of Davie and State of Florida contributions under Chapter 185 is \$7,170,624 or 46% of covered payroll. The anticipated State of Florida Chapter 185 contribution is \$705,416. The resulting Town of Davie required contributions is \$6,465,208 or 42% of covered payroll. Town Ordinance 2017-028 allows the Town of Davie to reduce their contributions by the cumulative Chapter 185 excess reserve of \$508,907 which means that the Town's actual contribution is \$5,956,301.

The actuarial assumptions regarding mortality tables and fund investment returns have been revised in this valuation report. The assumed fund investment return was changed from 7.60% to 7.50% (net of expenses), compounded annually.

The actuarial value of assets return was 10.6% for the 2016/2017 plan year, which was above the assumed 7.6%. The market value rate of return was 11.8%. Asset return was a source of actuarial gain. The covered payroll increased by approximately 0.7%, while the number of active participants decreased by 1.2%. The unfunded liability decreased from \$36,589,839 to \$30,851,147. The market value of assets as of the ending date of this report was \$142,750,360. The funded ratio for the pension plan is 80.8%. Mr. Dulaney advised that this funded ratio is one of the highest out of his plans which is a very good thing. The Board discussed the report. Trustee Taylor made a Motion to accept the Actuarial Valuation of the Town of Davie Police Pension Plan report as of October 1, 2017 as presented. Mr. DiMeglio seconded the Motion. The Motion passed 4-0. Mr. Dulaney advised that he will be sending the report to the State and Mr. Dorn advised that he would send the report to the Town of Davie Clerk's Office.

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

March 13, 2018

Page 5 of 5

PLAN ADMINISTRATOR:

Mr. Dorn advised that death checks were conducted with no information to report on this issue.

Mr. Dorn presented to the Board a new format for the Pension Newsletters. The Board reviewed and made some minor changes and accepted the new pension Newsletter which will be done on a quarterly basis.

Mr. Dorn advised that no new members retired or entered the DROP and no refunds of contributions were done. There was one DROP Disbursement to Retiree James Carney (warrant 1041).

Mr. Dorn advised that Retiree Mike McGee changed his beneficiary which slightly reduced his monthly pension. The actuary completed the calculations for this. Mr. Dorn advised that he spoke to and notified Mr. McGee in writing regarding the monthly benefit reduction and Mr. McGee agreed to the change.

OPEN DISCUSSION:

The Board discussed the April 10, 2018 meeting date. The Board decided to cancel this meeting. Mr. Dorn advised that he will notify the Town Clerk's Office on this issue.

ADJOURN:

Trustee Taylor made a Motion to adjourn the meeting. Mr. Trustee DiMeglio seconded the Motion. Motion passed 4-0. The meeting was adjourned at 6:31 P.M.



Greg Brilliant, Chairman

FOR THE BOARD