

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

February 14, 2012
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 Plan Administrator Dave Williams on February 14, 2012 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. Ed Taylor, Board Trustee and Mr. Thomas DiMeglio, Board Trustee.

OTHERS PRESENT:

Mr. Adam Levinson, Board Attorney - Klausner, Kaufman, Jensen & Levinson; Ms. Elisabeth Capota - Goldstein Schechter & Koch; Mrs. Janna Hamilton - Garcia Hamilton & Associates; Mr. Mike Harhai & Mr. John Swanson - Buckhead Capital; Mr. David Lee- Dahab & Associates; Mr. Don Dulaney – Dulaney & Company. (arrived at 5:45), Mr. Dave Williams - Plan Administrator & Mrs. Patty Ostrander - Administrative Assistant.

APPROVAL OF MINUTES:

The Board of Trustees reviewed the minutes for the January 10, 2012 meeting. Mr. Williams asked if there were any changes required to the minutes of January 10, 2012. Mr. Davis offered his response (which was duly noted). Motion made by Mr. Davis to approve the minutes, seconded by Mr. Taylor. The motion passed 5-0.

CONSENT AGENDA FOR APPROVAL:

WARRANT 208: This Warrant is for Re-Certification fees for FPPTA – Jack Mackie in the amount of \$100.00. Mr. Taylor made a motion to approve this warrant. Mr. DiMeglio seconded the motion. The motion passed 5-0.

WARRANT 209: This Warrant is for Re-Certification fees for FPPTA – Lawrence Davis in the amount of \$60.00. Mr. Taylor made a motion to approve this warrant. Mr. DiMeglio seconded the motion. The motion passed 5-0.

WARRANT 210: This Warrant is for Re-Certification fees for FPPTA – Ed Taylor in the amount of \$30.00. Mr. DiMeglio made a motion to approve this warrant. Mr. Davis seconded the motion. The motion passed 5-0.

WARRANT 211: This Warrant is for Re-Certification fees for FPPTA – Greg Brilliant in the amount of \$60.00. Mr. Taylor made a motion to approve this warrant. Mr. DiMeglio seconded the motion. The motion passed 5-0.

WARRANT 212: This Warrant is for Re-Certification fees for FPPTA – Tom DiMeglio in the amount of \$100.00. Mr. Taylor made a motion to approve this warrant. Mr. Brilliant seconded the motion. The motion passed 5-0.

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WARRANT 213: This Warrant is for Goldstein Schechter Koch in the amount of \$2,000.00. Mr. Davis made a motion to approve this warrant. Mr. DiMeglio seconded the motion. The motion passed 5-0.

WARRANT 214: This Warrant is for TAMRO Capital Partners, LLC in the amount of \$13,052.00. Mr. DiMeglio made a motion to approve this warrant. Mr. Davis seconded the motion. The motion passed 5-0.

WARRANT 215: This Warrant is for Garcia Hamilton & Associates, L.P. in the amount of \$34,832.42. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded the motion. The motion passed 5-0.

WARRANT 216: This Warrant is for Klausner, Kaufman, Jensen & Levinson in the amount of \$1,320.00. Mr. Mackie made a motion to approve this warrant. Mr. Davis seconded the motion. The motion passed 5-0.

WARRANT 217: This Warrant is for Mr. Raul Martinez for his retirement benefit in the amount of \$5,363.85/monthly. Mr. DiMeglio made a motion to approve this warrant. Mr. Davis seconded the motion. The motion passed 5-0.

WARRANT 218: This Warrant is for Dulaney & Company, Inc. in the amount of \$4,981.25. Mr. DiMeglio made a motion to approve this warrant. Mr. Mackie seconded the motion. The motion passed 5-0.

WARRANT 219: This Warrant is for Goldstein Schechter Koch in the amount of \$2,000.00. Mr. Davis made a motion to approve this warrant. Mr. Mackie seconded the motion. The motion passed 5-0.

WARRANT 220: This Warrant is for International Foundation of Employee Benefit Plans in the amount of \$755.00. Mr. Taylor made a motion to approve this warrant. Mr. DiMeglio seconded the motion. The motion passed 5-0.

AUDITOR'S REPORT

Ms. Capota began her presentation by advising that she did not conduct the actual audit of the plan and she was reporting to the Board on behalf of Mr. Clement Johns. This disclosure was being made as Ms. Capota's brother is a member of the plan.

Ms. Capota began her discussion and analysis of the Town of Davie Police Pension Plan (the "Fund"), financial performance provides an overview of the Fund's financial activities for the fiscal years ended September 30, 2011 and 2010.

Financial Highlights

- Fund assets exceeded liabilities at the close of the fiscal Years Ended September 30, 2011 and 2010 by \$72,353,153 and \$69,392,105, respectively (reported as net assets held in trust for pension benefits). Net assets are held in trust to meet future benefit payments. The increase of \$2,961,048 and \$8,765,693, of the respective years has resulted primarily

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from the changes in the fair value of the Fund's investments due to volatile financial markets.

- The Fund's funded ratio, a comparison of the actuarial value of assets to the actuarial accrued pension benefit liability, changed from 69.7% as of the October 1, 2008 valuation, to 67.8% as of the October 1, 2009 valuation, and 73.2% as of the October 1, 2010.

- Receivables at September 30, 2011 decreased by \$77,185 (or 12.4%) due primarily to a decrease in contribution receivable from the Town of Davie ("the Town").

Receivables at September 30, 2010 decreased by \$56,673 (or 8.3%) due primarily to a decrease in contribution receivable from the Town of Davie ("the Town").

- Liabilities at September 30, 2011 increased by \$438,643 (or 10.1%) due primarily to an increase in the Deferred Retirement Option Plan payable.

- Liabilities at September 30, 2010 increased by \$791,249 (or 22.3%) due primarily to an increase in the Deferred Retirement Option Plan payable.

- For the fiscal year ended September 30, 2011, Town contributions to the Fund increased by \$68,976 (or 1.3%) based on the actuarial valuation. Actual Town contributions were \$5,571,296 and \$5,502,320 for 2011 and 2010, respectively.

- For the fiscal year ended September 30, 2010, Town contributions to the Fund increased by \$515,284 (or 10.3%) based on the actuarial valuation. Actual Town contributions were \$5,502,320 and \$4,987,036 for 2010 and 2009, respectively.

- For the fiscal year ended September 30, 2011, member contributions including buybacks increased by \$391,920 (or 43.4%). Actual member contributions were \$882,927 and \$827,189 for 2011 and 2010 respectively, and buybacks were \$412,070 and \$75,888 for 2011 and 2010, respectively. Member contributions have fluctuated from year to year based on the number of active members and salaries.

- For the fiscal year ended September 30, 2010, member contributions including buybacks decreased by \$39,767 (or 4.2%). Actual member contributions were \$827,189 and \$797,739 for 2010 and 2009 respectively, and buybacks were \$75,888 and \$145,105 for 2010 and 2009, respectively. Member contributions have fluctuated from year to year based on the number of active members and salaries.

- For the fiscal year ended September 30, 2011, net investment income decreased by \$5,774,888 (or 95.4%) from 2010. Actual results were \$(1,250,576) and \$4,858,464 of net (depreciation) appreciation in fair value of investments for 2011 and 2010, respectively, and \$1,959,668 and \$1,859,738 of income from interest and dividends for 2011 and 2010, respectively. Net investment income was (increased) decreased by (losses) earnings allocated to deferred retirement option plan participants in the amount of \$(3,701) and \$303,630 for 2011 and 2010, respectively. Investment expenses increased by \$73,109 (or 20.1%).

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- For the fiscal year ended September 30, 2010, net investment income increased by \$4,222,546 (or 231.0%) from 2009. Actual results were \$4,858,464 and \$542,907 of net appreciation in fair value of investments for 2010 and 2009, respectively, and \$1,859,738 and \$1,696,812 of income from interest and dividends for 2010 and 2009, respectively. Investment income was decreased by earnings allocated to deferred retirement option plan participants in the amount of \$303,630 and \$129,945 for 2010 and 2009, respectively. Investment expenses increased by \$82,252 (or 29.2%).
- For the fiscal year ended September 30, 2011, benefit payments and refunds of contributions increased by \$438,764 (or 10.6%) from 2010.
- For the fiscal year ended September 30, 2010, benefit payments and refunds of contributions increased by \$316,769 (or 8.3%) from 2009.
- For the fiscal year ended September 30, 2011, administrative expenses increased by \$26,563 (or 15.2%) due primarily to increases in professional fees.
- For the fiscal year ended September 30, 2010, administrative expenses decreased by \$35,069 (or 16.7%) due primarily to decreases in professional fees.
- For the fiscal year ended September 30, 2011, the relative return of the portfolio was 1.1% and ranked in the 62nd percentile of the public fund universe. Actual net returns from investments were net investment income in 2011 and 2010 of \$275,944 and \$6,050,832, respectively.
- For the fiscal year ended September 30, 2010, the relative return of the portfolio was 10.2% and ranked in the 51st percentile of the public fund universe. Actual net returns from investments were net investment income in 2010 and 2009 of \$6,050,832 and \$1,828,286, respectively.

Statements of Plan Net Assets

The following condensed comparative statements of Plan Net Assets demonstrate the investment position of the Fund as of September 30:

	2011	2010	2009
Cash and cash equivalents	\$ 3,022,116	\$ 2,624,401	\$ 1,781,269
Receivables	545,954	623,139	679,812
Investments	73,566,979	70,487,818	61,717,335
Total assets	77,135,049	73,735,358	64,178,416
Liabilities	4,781,896	4,343,253	3,552,004
Net assets held in trust for pension benefits	\$ 72,353,153	\$ 69,392,105	\$ 60,626,412

Statements of Changes in Plan Net Assets

The Statement of Changes in Plan Net Assets displays the effect of pension fund transactions that occurred during the fiscal year, where Additions - Deductions = Net Increase (or Decrease) in Net Assets. The table below reflects a condensed comparative summary of the changes in net assets and reflects the activities of the Fund for the fiscal years ended September 30:

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	2011	2010	2009
Additions:			
Contributions			
Town	\$ 5,571,296	\$ 5,502,320	\$ 4,987,036
Members	1,294,997	903,077	942,844
State	611,838	637,164	687,558
Total	7,478,131	7,042,561	6,617,438
Net investment income	275,944	6,050,832	1,828,286
Total additions	7,754,075	13,093,393	8,445,724
Deductions:			
Benefits paid	4,591,782	4,113,866	3,792,087
Refunds of contributions	-	39,152	44,162
Administrative expenses	201,245	174,682	209,751
Total deductions	4,793,027	4,327,700	4,046,000
Net increase	2,961,048	8,765,693	4,399,724
Net assets held in trust for pension benefits at beginning of year	69,392,105	60,626,412	56,226,688
Net assets held in trust for pension benefits at end of year	\$ 72,353,153	\$ 69,392,105	\$ 60,626,412

The Fund's investment activities, measured as of the end of any month, quarter or year, are a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Actual returns decreased from 2010 and 2009 fiscal year end.

The benefit payments are a function of changing payments to retirees, their beneficiary (if the retiree is deceased) and new retirements during the period.

Asset Allocation

For the fiscal year ended September 30, 2011, the domestic equity portion comprised 47.8% (\$36,593,150) of the total portfolio. The allocation to fixed income securities was 35.9% (\$27,530,028), while cash and cash equivalents comprised 3.9% (\$3,022,116). The portion of investments allocated to international equity was \$7,785,534 or 10.2%, and the real estate fund was \$1,658,267 or 2.2% of the total portfolio.

For the fiscal year ended September 30, 2010, the domestic equity portion comprised 50.5% (\$36,908,423) of the total portfolio. The allocation to fixed income securities was 34.2% (\$25,012,969), while cash and cash equivalents comprised 3.6% (\$2,624,401). The portion of investments allocated to international equity was \$8,566,426 or 11.7% of the total portfolio.

The target asset allocation was as follows at September 30, 2011 and 2010:

	2011	2010
Domestic equity	50.0%	50.0%
Fixed income	32.5%	37.5%
International equity	12.5%	12.5%
Real estate fund	5.0%	0.0%
Cash equivalents	0.0%	0.0%

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Actual Contributions

The actual contributions from the Town and the State of Florida for active employees for the fiscal years ended September 30, 2011 and 2010, amounted to \$6,183,134 and \$6,139,484, respectively, and the actual amount of covered payroll was approximately \$12,567,000 and \$11,817,000, respectively. The contributions consisted of the following at September 30:

	2011		2010	
	Amount	Percent of Actual Annual Covered Payroll	Amount	Percent of Actual Annual Covered Payroll
Town	\$ 5,571,296	44.3%	\$ 5,502,320	46.6%
State of Florida	611,838	4.9	637,164	5.4%
Total contributions from				
Town and State of Florida	\$ 6,183,134	49.2%	\$ 6,139,484	52.0%

Members' contributions consisted of the following for the years ended September 30:

	2011	2010
Members	\$ 882,927	\$ 827,189
Buybacks	412,070	75,888
Total member's contributions	\$ 1,294,997	\$ 903,077

Ms. Capota complimented the Board for completing the Audit in a timely manner given the change of administration.

Mr. Levinson asked Mr. Lee's input relative to the actuarial assumed rate of return. Mr. Lee indicated that while on the short term the assumption may not be met, on the longer term basis it could more likely be achieved and therefore was reasonable.

Mr. DiMeglio made a motion to accept and approve the financial statement of September 30, 2011 as presented, Mr. Taylor seconded the motion. Carried 5-0.

A management representation letter was provided to the Board for approval and execution. Mr. Levinson advised that Mr. Williams sent him a draft of the letter and he has reviewed and approved the language contained therein. Mr. Taylor made a motion to approve and authorize the Chairman, Mr. Brilliant to sign the management representation letter. The motion was seconded by Mr. Mackie. Carried 5-0.

Ms. Capota reviewed the SAS90 Fraud Letter with the Board. The Trustees did not have any information to provide to Ms. Capota, and went on the record to advise that they "the Board" always welcomes input to improve our internal controls.

INVESTMENT MANAGER'S REPORTS

Garcia Hamilton – Balanced Account Report

Mrs. Hamilton appeared before the Board and provided a portfolio review for December 31,

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2011.

In the fourth quarter, the Garcia Hamilton portfolio gained 5.7%, which ranked in the 31st percentile of the Balanced Fund universe. Over the trailing twelve-month period, the portfolio returned 2.8%, which ranked in the 43rd percentile. Since December 2006, the portfolio returned 5.2% per annum and ranked in the 32nd percentile.

Large Cap Equity - For the fourth quarter, the large cap equity segment returned 10.3%, which was 0.3% below the Russell 1000 Growth Index's return of 10.6% and ranked in the 39th percentile of the Large Cap Growth universe. Over the trailing year, this segment returned 0.1%, which was 2.5% less than the benchmark's 2.6% return, and ranked in the 53rd percentile. Since December 2006, this component returned 3.4% on an annualized basis and ranked in the 34th percentile. The Russell 1000 Growth returned an annualized 2.5% over the same time frame.

Fixed Income - In the fourth quarter, the fixed income component returned 1.5%, which was 0.4% greater than the Custom Fixed Income Index's return of 1.1% and ranked in the 28th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this component returned 5.4%, which was 2.5% less than the benchmark's 7.9% return, ranking in the 90th percentile. Since December 2006, this component returned 7.7% per annum and ranked in the 19th percentile. The Custom Fixed Income Index returned an annualized 6.3% over the same time frame.

Buckhead Capital Management – Quarterly Investment Report

Mr. Mike Harhai & Mr. Swanson appeared before the Board and provided a portfolio review for December 31, 2011.

In the fourth quarter, the Buckhead Capital portfolio gained 5.3%, which ranked in the 33rd percentile of the Balanced Fund universe. Over the trailing twelve-month period, the portfolio returned 4.4%, which ranked in the 14th percentile. Since December 2006, the portfolio returned 2.5% per annum and ranked in the 59th percentile.

Large Cap Equity - For the fourth quarter, the large cap equity segment returned 10.8%, which was 2.3% below the Russell 1000 Value Index's return of 13.1% and ranked in the 90th percentile of the Large Cap Value universe. Over the trailing year, this segment returned 2.3%, which was 1.9% greater than the benchmark's 0.4% return, and ranked in the 26th percentile. Since December 2006, this component returned -1.4% on an annualized basis and ranked in the 36th percentile. The Russell 1000 Value returned an annualized -2.6% over the same time frame.

Fixed Income - In the fourth quarter, the fixed income component returned 1.1%, which was equal to the Custom Fixed Income Index's return of 1.1% and ranked in the 72nd percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this component returned 7.0%, which was 0.9% less than the benchmark's 7.9% return, ranking in the 64th percentile. Since December 2006, this component returned 7.0% per annum and ranked in the 38th percentile. The Custom Fixed Income Index returned an annualized 6.3% over the same time frame.

MONITOR'S REPORT

Before beginning his presentation, Mr. Brilliant asked Mr. Lee the status of the UBS – Real Estate Investment. Mr. Lee indicated the plan was still in queue.

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Mr. Lee reported that as of December 31st, 2011, the Plan was valued at \$81,613,016, representing an increase of \$4,897,623 from the September quarter's ending value of \$76,715,393. Last quarter, the Fund posted net contributions equaling \$13,433 plus a net investment gain equaling \$4,884,190. Total net investment return was the result of income receipts, which totaled \$545,842 and net realized and unrealized capital gains of \$4,338,348.

Total Fund - For the quarter ending on December 31st, 2011, the portfolio gained 6.4%, which ranked in the 19th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned 1.4%, which ranked in the 42nd percentile. Since December 2006, the portfolio returned 3.3% per annum and ranked in the 16th percentile.

Large Cap Equity - For the fourth quarter, the large cap equity segment returned 10.5%, which was 1.3% below the S&P 500 Index's return of 11.8% and ranked in the 72nd percentile of the Large Cap universe. Over the trailing year, this segment returned 1.1%, which was 1.0% less than the benchmark's 2.1% return, and ranked in the 52nd percentile. Since December 2006, this component returned 1.1% on an annualized basis and ranked in the 31st percentile. The S&P 500 returned an annualized -0.2% over the same time frame. **Mid Cap Equity** In the fourth quarter, the mid cap equity component returned 13.0%, which was equal to the S&P 400 Index's return of 13.0% and ranked in the 60th percentile of the Mid Cap universe. Over the trailing twelve-month period, this component returned -1.6%, which was 0.1% greater than the benchmark's -1.7% return, ranking in the 54th percentile. Since December 2006, this component returned 3.4% per annum and ranked in the 45th percentile. The S&P 400 returned an annualized 3.3% over the same time frame.

Small Cap Equity - Last quarter, the small cap equity component returned 14.4%, which was 1.1% below the Russell 2000 Index's return of 15.5% and ranked in the 65th percentile of the Small Cap universe. Over the trailing year, this component returned -2.9%, which was 1.3% above the benchmark's -4.2% performance, and ranked in the 57th percentile.

International Equity - For the fourth quarter, the international equity portion of the portfolio returned 3.6%, which was 0.2% greater than the MSCI EAFE Index's return of 3.4% and ranked in the 60th percentile of the International Equity universe. Over the trailing year, this component returned -9.8%, which was 2.0% greater than the benchmark's -11.8% performance, and ranked in the 26th percentile. Since December 2006, this component returned -4.5% per annum and ranked in the 80th percentile. The MSCI EAFE Index returned an annualized -4.3% over the same period.

Real Estate - During the fourth quarter, the real estate component returned 2.8%, which was 0.1% below the NCREIF NFI-ODCE Index's return of 2.9%.

Fixed Income - Last quarter, the fixed income component gained 1.3%, which was 0.2% greater than the Custom Fixed Income Index's return of 1.1% and ranked in the 46th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this segment's return was 6.2%, which was 1.7% less than the benchmark's 7.9% performance, and ranked in the 75th percentile. Since December 2006, this component returned 7.4% on an annualized basis and ranked in the 26th percentile. For comparison, the Custom Fixed Income Index returned an

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annualized 6.3% during the same time frame.

Asset Allocation - On December 31st, 2011, large cap equities comprised 35.7% of the total portfolio (\$29.1 million), while mid cap equities totaled 7.1% (\$5.8 million). The account's small cap equity segment was valued at \$6.1 million, representing 7.5% of the portfolio, while the international equity component's \$8.1 million totaled 9.9%. The real estate segment totaled 2.7% of the portfolio's value and the fixed income component made up 34.7% (\$28.3 million). The remaining 2.5% was comprised of cash & equivalents (\$2.0 million).

ATTORNEY'S REPORT

Mr. Levinson reviewed actuarial data retrieved from the State of Florida – Division of Retirement website with the Board. Mr. Levinson advised that approximately 54% (or 263) of the plans on reported an assumed actuarial rate of return of 8%. A discussion ensued with Mr. Lee, Mr. Dulaney and the Board relative to the assumption rate. While on the topic, Mr. Dulaney cited a state requirement for future actuarial reports that computes an assumed rate of return of 7.75%. Mr. Levinson cited the rating system as a result of SB1128.

Mr. Levinson advised he e-mailed all administrators an identity theft checklist to help prevent the larceny of personal identities. The contact name of the Secret Service was also provided to all administrators.

Mr. Levinson presented a written opinion to the Board with regard to “trustee to trustee transfers to purchase allowable service credit”. Mr. Levinson purchases for airtime is a tax qualified event, and therefore is not considered a taxable distribution. All trustee to trustee payments should be made payable to the Davie Police Pension Plan for the benefit (FBO) of the “insert employee name”.

ACTUARY'S REPORT

COLA – At the direction of the Board a COLA review was conducted. The review was requested when questions arose by the plan administrator and the custodian when the latest COLA's approved were being applied. Mr. Dulaney advised that all the COLA's were correct with the exception of the following:

Mr. Dulaney reviewed the matter of Barbara Rose (widow) & Gloria Merrill (widow). Mr. Dulaney advised that when Mr. Rose passed away May 18, 2005, his widow Barbara was reduced pursuant to the benefit option selected. However no further COLA increases were applied. As such a retroactive payment is due to Mrs. Rose. Mr. Dulaney continued by explaining his review of Mrs. Merrill's benefit. When Mr. Merrill passed away there were no more COLA's applied. Mrs. Merrill was also entitled to a retroactive payment. Mr. Dulaney advised that due to the nature of this event, he suggested the assumed rate of return be applied to both parties when the adjustment is made. Mr. Davis concurred with Mr. Dulaney's suggestion on crediting interest and placed the same in the form of a motion. Mr. Mackey seconded the motion. Carried 5-0. The final numbers will be calculated by Mr. Dulaney and provided the Plan Administrator.

Mr. Dulaney also reviewed the matter of Mark Williams & Gregory Spates. Mr. Dulaney advised

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that both Mr. Spates & Mr. Williams were being paid a benefit based on the estimated calculation instead of the actual final calculation. In both cases this meant the members were underpaid. Mr. Dulaney advised that due to the nature of this event, he suggested the assumed rate of return be applied to both parties when the adjustment is made. Mr. Davis concurred with Mr. Dulaney's suggestion on crediting interest and placed the same in the form of a motion. Mr. DiMeglio seconded the motion. Carried 5-0. The final numbers will be calculated by Mr. Dulaney and provided the Plan Administrator.

Mr. Dulaney advised that the Town of Davie asked him to prepare a present value calculation for Mr. Wachstetter, which he did.

PLAN ADMINISTRATOR'S REPORT

Mr. Williams briefed the Board on a matter concerning Mr. Dorn, the administrator assigned to the Davie Police Pension Plan. Mr. Williams advised that a fellow trustee of the Sunrise Police Pension Fund raised an issue with the Sunrise Police Pension Board Attorney. The Trustee felt that there was a conflict of interest that Mr. Dorn had outside employment with Mr. Williams, while Mr. Dorn was still an active Board Trustee in Sunrise. The Sunrise Board Attorney reviewed the matter and approached Mr. Dorn with the assertion being made. Mr. Dorn on his own accord decided to simply step down from the Sunrise Board in lieu of seeking an opinion from the ethics commission. Further, Mr. Dorn filed a letter with the ethics commission advising him of the foregoing, for disclosure and transparency issues. As Mr. Dorn is still an employee of the City of Sunrise, he is required to complete "outside employment forms". Mr. Dorn did in fact complete said forms, however his ability to conduct outside employment has been suspended pending a review. Mr. Dorn met with Mr. Levinson and Mr. Brilliant to advise them of the situation. Mr. Williams advised the Trustees that he would be handling the day to day operations of the plan until further notice. Mr. Williams assured the Board that there will not be any disruption of service.

Mr. Williams advised the Board that all member pension files that were provided to him by the prior administrator has been scanned into the PPA system.

Mr. Williams advised that the website is being populated with plan information by the IT Programmer and should be live by the end of the month.

Mr. Taylor inquired about the costs of electronic death checks. Mr. Williams advised that once the database is populated with retiree information that death checks would be conducted each month at no cost to the plan.

OPEN DISCUSSION

Mr. Davis brought up the topic of the Trustee terms. The concern was to ensure a staggering effect so there would be experienced Trustees in place when new Trustees come on the Board. After discussion the terms were defined as follows: Mr. Brilliant & Mr. DiMeglio would retain their seat until December 31, 2015, Mr. Larry Davis & Mr. Jack Mackie would retain their seat until December 31, 2013 and Mr. Edward Taylor would retain his seat until December 31, 2012. Mr. Williams will notify the Town Clerk's Office.

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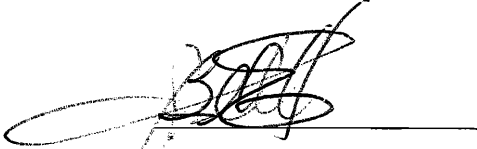
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Mr. Brilliant asked that the Jenkins overpayment matter be addressed by the Administrator and the Board Attorney.

Mr. Taylor was pleased to announce the "After Tax Contribution" matter was resolved and revised 1099R's were transmitted to all concerned. Mr. Taylor advised that he felt the matter seemed to take longer than necessary at the custodian level. Mr. Williams indicated that he thought that the matter was labor intensive and they the custodian was constrained with internal controls. A timeline will be created and transmitted to the Trustees.

ADJOURN:

Mr. Taylor made the motion to adjourn the meeting. Mr. Mackie seconded the motion. Motion passed 5-0. Meeting adjourned at 7:25 p.m.

A handwritten signature in black ink, appearing to read 'Greg Brilliant', is written over a horizontal line. The signature is stylized and somewhat cursive.

Greg Brilliant, Chairman