

TOWN OF DAVIE POLICE PENSION PLAN

Minutes

July 12, 2016

5:00 P.M.

The regular meeting of the Board of Trustees of the Town of Davie Police Pension Plan was called to order at 5:01 P.M. on behalf of the Board by the Plan Administrator, Mr. Bob Dorn on June 21, 2016 at 13790 N.W. 4th Street, Suite 105, Sunrise, Florida.

TRUSTEES PRESENT:

Mr. Greg Brilliant – Chairman; Mr. Larry Davis – Secretary; Mr. Thomas DiMeglio & Mr. Ed Taylor - Trustees.

ABSENT:

Mr. Jack Mackie - Trustee

OTHERS PRESENT:

Mr. Paul Daragjati, Board Attorney – Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn, Plan Administrator – Precision Pension Administration, Inc.; Patty Ostrander – Precision Pension Administration, Inc. (left at 5:55 PM); Mr. Don Dulaney – Dulaney & Associates.

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:

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the June 21, 2016 meeting. Mr. Dorn inquired if there were any changes required to the cited minutes. Several changes were offered which were duly noted. A Motion was made by Mr. Davis to approve the minutes. The Motion was seconded by Mr. Taylor. The Motion passed 5-0.

APPROVAL OF WARRANTS

WARRANT 783

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal fees regarding for the period ending 06/29/16. The amount of this Warrant is \$3,740.00. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Mackie seconded the Motion. The Motion passed 5-0.

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

July 12, 2016

Page 2 of 4

WARRANT 784

This Warrant is to Dulaney & Company for actuarial fees for the period ending 05/31/16. The amount of this Warrant is \$3,945.00. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Mackie seconded the Motion. The Motion passed 5-0.

WARRANT 785

This Warrant is to LMCG Investment, LLC for investment management services rendered through 2nd quarter of 2016. The amount of this Warrant is \$5,286.78. A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Mackie seconded the Motion. The Motion passed 5-0.

WARRANT 786

This Warrant is to Lyrical Asset Management for advance payment for investment management services for the 3rd quarter of 2016. The amount of this Warrant is \$14,530.14. A Motion was made by Mr. Taylor to approve this Warrant. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

WARRANT 787

This Warrant is to Trustee and Fiduciary Insurance Services, Inc for liability insurance for the Board and Plan for the period of 8/1/2016 through 8/1/2017.. The amount of this Warrant is \$9,500.00 A Motion was made by Mr. DiMeglio to approve this Warrant. Mr. Taylor seconded the Motion. The Motion passed 5-0.

NEW / UNFINISHED BUSINESS:

Mr. Dorn advised the Board that the 2016/2017 Administrative Expense Budget needs to be completed by 09/30/16 at the latest. Mr. Dorn presented to the Board a proposed 2016/2017 Administrative Expense Budget. Mr. Dorn also presented to the Board a copy of last years' Administrative Expense Budget along with the current expenditures. The Board reviewed the documents and discussed each of the items in the proposed budget. The Board agreed to the proposed Budget after a thorough discussion. Mr. Taylor made a Motion to approve the 2016/2017 Administrative Expense Budget. The Motion was seconded by Mr. DiMeglio. The Motion passed 5-0.

Mr. Dorn advised that the Board's fiduciary liability insurance expires on 8/1/2016. Mr. Dorn presented the written responses to the questions that the Board wanted answered from their insurance agent. Mr. Dorn advised that the insurance agent could not attend this meeting. The insurance agent gave the following responses to the Board's questions:

- 1) They selected the three companies based upon the rating of the company, knowing the agents and companies from past dealings, visiting the home offices of the companies, and this type of insurance is still a niche market in Florida;

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

July 12, 2016

Page 3 of 4

- 2) The three quotes supplied all have the same coverage but may have various different language in describing the coverage and exclusions;
- 3) The Board may choose its own defense counsel with all three proposals. The insurance company's law firm will work together with the Board's attorney to determine eligibility of the attorney to resolve the claim;
- 4) All of the quotes have been presented with zero deductibles. There are optional deductible amounts which would result in a slightly less premium, but the policy has always been with a zero deductible and that is how underwriters always quote;
- 5) The Plan sponsor (Town of Davie), the Plan (Town of Davie Police Pension Plan), and the individuals Trustees as well as anyone acting in a fiduciary capacity (Plan Administrator) are insured by the policy;
- 6) The limit of the policy is for two million dollars which has been the same in the previous policies;
- 7) This policy does not include cyber exposure. None of the three policies quotes cover cyber insurance. The insurance agent advised that they will look into a separate policy for the Board. The insurance agent advised that they will work on this.
- 8) There are very few claims made against any of her client's fiduciary liability insurance. There are three cases that she can recall:
 - a. One of our companies had a claim that involved a general employee who retired on the basis of an estimate benefit calculation provided by their in-house administrator. After re-calculating, it was found that a lower amount was correct. Although the City offered to hire him back, the retiree chose to sue the Board;
 - b. In another case, a member had retired on a normal retirement, but sued for disability benefits when he subsequently became disabled;
 - c. The only other case is when the City sued the Board over a benefits issue.

Mr. Davis inquired about whether a partial refund will be issued if the policy is canceled prior to the expiration of the policy. Mr. Dorn advised that this particular policy will refund the remaining unused portion according to the insurance agent. Mr. Dorn advised that Mr. Williams is attempting to obtain a new quote from a different insurance company. Mr. Dorn suggested to the Board that they approve this policy so the coverage does not expire and we will continue to obtain new quotes. The Board agreed to this. Mr. Taylor made a Motion for the Plan to accept the proposed fiduciary liability insurance in the amount of \$9,500.00 for the term that starts on August 1, 2016 and ends on August 1, 2017. Mr. DiMeglio seconded the Motion. The Motion passed 5-0.

ACTUARY REPORT:

Mr. Dulaney advised that he was contacted by Mr. William Ackerman (Town of Davie Finance Director). Mr. Dulaney advised the Mr. Ackerman inquired whether there would be a shortfall in the employer contributions for fiscal year 2016. Mr. Dulaney advised that since the Town of Davie paid the entire required amount up front in one payment back in October/2015, there will be no shortfall. Mr. Dulaney advised that the benefit for the Town to pay the contributions "up-front" instead of quarterly is for the Town to save

TOWN OF DAVIE POLICE PENSION PLAN - Minutes

July 12, 2016

Page 4 of 4

approximately \$200,000.00 or to cover any shortfalls that may occur. Mr. Dulaney reviewed with the Board the last valuation report.

Mr. Dulaney advised that he worked on the impact statement for the proposed new Town of Davie Ordinance regarding the rehiring of retired members to school resource positions. Mr. Dulaney advised that there would be no actuarial impact to the Plan regarding this proposed ordinance.

ATTORNEY REPORT:

Mr. Daragjati advised that Mr. Levinson is working on making the changes to the Frequently Asked Questions regarding the DROP document. There were some minor changes to the document that pertained to the member's contribution rates. Mr. Daragjati advised that Mr. Levinson should have these changes completed for the next meeting.

Mr. Daragjati gave a review of the proposed SRO ordinance with the Board. Mr. Daragjati advised that these officers will not be full-time police officers and not be in the Davie Police Pension Plan.

Mr. Daragjati inquired whether all of the Trustees have submitted the State's Financial Form for disclosure purposes. Mr. Dorn advised that all of the Trustees have submitted the forms and they are on the State's web site that they have received the forms.

PLAN ADMINISTRATOR REPORT:

Mr. Dorn advised that a death check has been conducted. No new members were on the list.

Mr. Dorn advised the Board that he sent a letter to Ms. Linda Griffin regarding the determination of her husband's (Wes Griffin) death based upon the documents in his file, the Board's minutes and the attorney's memo regarding this issue.

Mr. Dorn advised that they have started the audit process.

OPEN DISCUSSION:

Mr. Davis advised the Board that he will not be attending the August 16, 2016 meeting.

ADJOURN:

Mr. Davis made a Motion to adjourn the meeting. Mr. DiMeglio seconded the Motion. The Motion passed 5-0. The meeting was adjourned at 6:15 P.M.



Greg Brant, Chairman