

**TOWN OF DAVIE POLICE PENSION PLAN
MEETING MINUTES
January 10, 2023
1:30 P.M.**

The regular meeting of the Town of Davie Police Pension Plan Board of Trustees was called to order on behalf of the Board by Mr. Greg Brilliant – Precision Pension Administration – on January 10, 2023, at 1:30 P.M. The meeting was conducted remotely due to on-going concerns regarding the potential spread of Covid and its variants. There was a quorum present to conduct an official meeting of the Davie Police Pension Plan Board of Trustees.

TRUSTEES PRESENT:

Mr. Paul Ortenzo – Chairman, Mr. Larry Davis – Secretary; Mr. Jack Mackie; Mr. Danny Perez and Mr. Ed Taylor - Trustees. All Trustees were in attendance remotely for the meeting.

ABSENT and/or EXCUSED:

None

OTHERS PRESENT:

Mrs. Patty Ostrander (remote) – PPA Administrative Assistant; Mr. Stu Kaufman (remote) – Klausner, Kaufman, Jensen, & Levinson; Mr. Don Dulaney; (remote) – Dulaney & Company.

PUBLIC DISCUSSION:

None submitted.

NEW/UNFINISHED BUSINESS:

Mr. Davis and Mr. Perez are confirmed and will be attending the February 2023 FPPTA conference.

CONSENT AGENDA:

None

Town of Davie Police Pension Plan Minutes
January 10, 2023
Page 2 of 4

WARRANTS APPROVED BY BOARD:

After review and consideration of Plan warrants #1708 – 1727 inclusive, a Motion to approve was made by Mr. Perez, seconded by Mr. Davis. Motion passed 5/0.

APPROVAL OF THE MINUTES:

The Board reviewed the minutes from the November 08, 2022, Town of Davie Police Pension Plan Board of Trustees meeting. A Motion was made to approve the minutes as amended by Mr. Taylor, seconded by Mr. Mackie. Motion passed 5/0.

ACTUARY REPORT – DULANEY & CO:

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney discussed the effect of changing the currently utilized three-year smoothing period to possibly a four-year or five-year smoothing period for Actuarial Value of Assets. This would in effect spread out the big swings in market valuations across more years thus minimizing the correlating swings in funding requirements. A Motion was made by Mr. Perez and a Second by Mr. Mackie to assign Chairman Ortenzo as “a committee of one,” to work with/guide Mr. Dulaney on which form of smoothing would be best suited for the Plan and then report back to the Board for full Board approval. Motion passed 5/0. This concludes the report.

ATTORNEY REPORT – KKJ&L:

Reporting on behalf of KKJ&L was Mr. Stu Kaufman. Regarding the Clarivate litigation, a response was filed to the defendant’s request to dismiss on December 16, 2022. A hearing on the filing will be scheduled in the upcoming months with the newly assigned Judge to the case.

Administrative Rule Update – The three rules in question (#4, #5, and #8) were distributed to the trustees prior to the meeting for their review for updates. Mr. Ortenzo asked if it would be appropriate to read through and update, as necessary, all of the Administrative Rules to include updating signatures. Mr. Kaufman advised that periodic reviews of the Administrative Rules would be a prudent practice to adopt. Direction was given to begin placing Administrative Rules review on the meeting agendas to begin the process of reviewing the rules for accuracy and proper Plan implementation. This review and updating will continue until all Administrative Rules are completed.

Town of Davie Police Pension Plan Minutes
January 10, 2023
Page 3 of 4

Mr. Taylor made a motion to update administrative rules #4, #5, and #8 as discussed, Second by Mr. Mackie. Motion passed 5/0. Mr. Kaufman will rewrite as necessary and return it for Board approval.

Mr. Kaufman next spoke about the legislation titled SECURE ACT 2.0 which became effective December 29, 2022. Under current law, there is an exclusion for gross income (\$3,000) for a distribution from a governmental retirement plan to a public safety officer to pay for his or her health insurance premiums. The exclusion requires that the premiums must be deducted from pension checks and paid by retirement systems directly to insurers for retirees to qualify for a tax exclusion. The SECURE 2.0 Act repeals these direct payment requirements.

There are other important caveats in SECURE ACT 2.0 as well. Currently, the 10 percent additional tax on early distributions from tax deferred retirement savings plans does not apply to a distribution from a governmental plan to public safety officers who are at least 50 years old. The SECURE 2.0 Act extends this exemption to public safety officers with at least 25 years of service with the employer sponsoring the plan. Therefore, a distribution from a governmental plan that is made to a qualified public safety officer after separation from service and after attainment of age 50 or 25 years of service under the plan is exempt from the early withdrawal tax.

Under current law, participants are generally required to begin taking distributions from their retirement plans at age 72. The SECURE 2.0 Act further increases the required minimum distribution age to 73 starting on January 1, 2023, and increases the age to 75 starting on January 1, 2033.

Additionally, the SECURE 2.0 Act reduces the penalty for failure to take required minimum distributions from 50 to 25 percent. If the failure is corrected in a timely manner, the penalty is further reduced from 25 to 10 percent. This concludes the report.

PLAN ADMINISTRATOR - PPA:

Mr. Brilliant discussed with the board the benefits of scheduling monthly meetings, but only holding quarterly meetings unless otherwise dictated by the need for Board attention to a matter. The Board agreed and the quarterly meetings will be held in February, May, August, and November, with flexibility for additional meetings as needed. This concludes the report.

Town of Davie Police Pension Plan Minutes
January 10, 2023
Page 4 of 4

OPEN DISCUSSION:

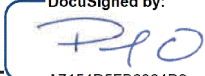
None

ADJOURN:

A Motion was made at 2:15 p.m. to adjourn by Mr. Davis with a Second by Mr. Taylor. The Motion passed without dissent, 5/0.

The next meeting is tentatively scheduled for February 14, 2023, at 1:30 P.M.

CHAIRMAN FOR THE BOARD

DocuSigned by:

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Paul Ortenzo