

TOWN OF DAVIE FIREFIGHTERS' RETIREMENT TRUST
PENSION BOARD MEETING MINUTES
Monday, November 18, 2019 – 2:00 p.m.

1. Call to Order & Roll Call

The meeting was called to order at 2:10 p.m. by the Chairman, Alan Seldal. The following members were present: Irving Heller, Adam Konick, and Joe Valenzuela. Scott Mogavero was excused. Also present was Stu Kaufman, Plan Attorney, Don Dulaney, Plan Actuary, Amed Avila, Custodian, Eric Leventhal, Auditor, and Susy Pita, Plan Administrator. A few Plan members and Union members were also present. Jeff Swanson, Investment Consultant, attended via conference call.

2. Approval of Minutes

A motion was made by Adam Konick to approve the minutes from the regular meeting held on November 18, 2019. Seconded by Alan Seldal, the motion carried unanimously.

3. Approval of Disbursements

A motion was made by Adam Konick to approve of the disbursement report as presented. Seconded by Alan Seldal, the motion carried unanimously.

4. Presentation of Annual Audit Report

Eric Leventhal, of Kabat Schertzer DeLaTorre and Taraboulos ("KSDT"), presented the Audit for the Fiscal Year Ending September 30, 2019. Following the presentation, and some Tier One and Tier Two language modifications, a motion was made by Alan Seldal to accept the audit with the noted modifications and to sign the Management Representation Letter on behalf of the Board. Seconded by Adam Konick, the motion carried unanimously. Upon receipt of the final version, the Plan Administrator will see to the proper distribution.

5. Investment Consultant's Report

Jeff Swanson presented the asset values as of January 17, 2020:

Rhumblin	\$56,340,794	42.1%
Atlanta Capital (FMIVT)	\$10,505,921	7.9%
Vanguard Small Cap Index	\$6,013,011	4.5%
American Int'l Growth & Income	\$10,000,769	7.5%
Fidelity EM Fund	\$2,209,534	1.7%
PIMCO RAE Fund	\$2,391,001	1.8%
American Core Realty	\$11,276,412	8.4%
Intercontinental Real Estate	\$6,418,383	4.8%
Garcia Hamilton – Fixed	\$14,663,744	11.0%
PIMCO Income Fund	\$6,558,029	4.9%
PIMCO Investment Grade BD	\$6,017,617	4.5%
Receipts & Disbursements	\$1,240,067	0.9%
Mutual Fund Cash	\$85,116	0.1%
DROP at Mass Mutual	\$5,695,255	

The total portfolio value including DROP was \$139,415,652.

**Rhumblin and Atlanta Capital values are as of their December statements and American Realty and Intercontinental Real Estate values are as of their 4Q2019 statements.*

Trustee Joe Valenzuela then led a discussion regarding the projections that are being made by investment professionals regarding the markets and the potential for a recession beginning in late 2020 and into the 2021 year. The Trustees will ask Jeff to address this issue in greater detail at the next meeting.

6. Custodians's Report

Amed Avila, presented the 2017-18 SOC1 report for Fiduciary Trust Company. The Trustees thanked him for attending today's meeting and the thorough review of the report.

7. Actuary's Report

Don Dulaney began his report by discussing the Impact Statement for the Cancer Presumption Ordinance. The Plan Administrator will forward the Ordinance and the AIS to the Town for adoption by the Town Council. Don then reviewed the GASB 67 Disclosures as of September 30, 2019.

At the last meeting the Trustees directed Don to conduct a review of members who have retired in the past 5 years so that a determination can be made regarding the impact of the normal retirement options for married members (which is 60% Joint & Survivor) compared to the normal retirement option for single members (which is the 10 Year Certain) and the inequities as a result. Don handed out and reviewed his list of nine members who have retired or entered the DROP since 2015 that would be eligible for a retroactive benefit change. Stu continued the discussion by recommending that the Board consider correcting this issue to avoid a potential legal issue. He handed out and reviewed a drafted Administrative Policy that the Board could adopt rather than creating an Ordinance that the Town would need to approve. Don, Stu, and Chairman Seldal will plan to discuss this matter with the Town Administrator and report back to the Board at the next meeting.

8. Attorney's Report

Stu Kaufman began his report by reviewing his memo regarding the SECURE Act and IRS Limits for 2020. He concluded his report by discussing two Bills that have been filed in Tallahassee that will be taken under consideration during the current legislative session.

9. Old Business

As requested at the last meeting, the Plan Administrator contacted the Mass Mutual Representative to inquire about the possible opportunity for co-mingled DROP participants to transfer their DROP accounts to the self-directed option at Mass Mutual so that they would have an opportunity to put some of their funds in a fixed rate of return product. Heather Mighty (our representative) explained that, yes, the members can open an account at Mass Mutual and transfer their DROP funds, however; they would not be eligible to receive the 3% fixed rate of return because that was agreed to under a special negotiated contract with the Town which was done several years ago.

The Trustees requested that the Plan Administrator contact Heather again to ask if current co-mingled DROP members could transfer their DROP funds to MM *prior to exiting the DROP* and, if so, would they be eligible for the 3% fixed option for the transferred lump sum amount as well as any future DROP fund transfers. She will report back to the Board at the next meeting.

10. New Business

(a) Alan Seldal was unopposed when his Trustee position was posted and, therefore; he will serve another 4-year term which will not expire until December 2023. On January 15th, the Town Council also re-appointed Irving Heller to another 4-years term and ratified the 5th member appointment of Scott Mogavero.

(b) A special meeting was set for Monday, February 10th at 9:30 to review and approve the Actuarial Valuation Report. The Plan Administrator will send an email to Mr. Ackerman to let him know that, though the Board will meet on February 10th, he can expect the drafted version of the report from Don by February 7th as requested in his letter to the Board on 10/31/19.

(c) A motion was made by Alan Seldal to approve of the DROP entry for Raul Ramos effective 11/30/19. Seconded by Adam Konick, the motion carried unanimously.

(d) A motion was made by Alan Seldal to approve of the DROP exit/retirements for:

James Ketchum – Effective 11/30/19

Raleigh Saxson – Effective 12/31/19

Edward Dilts – Effective 01/31/20

Rudolph Napolitano – Effective 01/31/20

Gary Spence – Effective 01/31/20

Seconded by Adam Konick, the motion carried unanimously.

11. Public Comments

There were none.

12. Next Meeting Date

The next regular meeting date will be Thursday, April 23, 2019 at 2:00 p.m.

13. Adjournment

The meeting ended at 4:10 p.m.

For the Board _____