

**TOWN OF DAVIE POLICE PENSION PLAN
MEETING MINUTES
NOVEMBER 12, 2019
4:00 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 November 12, 2019 at 4:00 P.M. at 13790 N.W. 4th Street, Suite 105, Sunrise, Florida.

TRUSTEES PRESENT:

Mr. Thomas DiMeglio – Board Chairman; Mr. Larry Davis – Board Secretary; Mr. Jack Mackie, Mr. Paul Ortenzo and Mr. Ed Taylor – Board Trustees; Mr. Danny Perez – Training Trustee.

ABSENT and/or EXCUSED:

None

OTHERS PRESENT:

Mrs. Patty Ostrander - Administrative Assistant; Mr. David Lee – Dahab Consulting; Mr. Don Dulaney & Ms. Lindsey Singer - Dulaney & Company; Mr. Stu Kaufman – Klausner, Kaufman, Jensen, & Levinson; Mr. Pete Hapgood & Mr. Paul Nasser – Intercontinental Real Estate; Mr. Terence Fennessy – Clearbridge LCG; Ms. Janna Hamilton – Garcia, Hamilton, & Associates; Mr. Richard Wells - Wedge Capital; Mr. Brian Angerame (by telephone) – Clearbridge MC.

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

PUBLIC DISCUSSION:

None

CONSENT AGENDA:

None

APPROVAL OF THE MINUTES:

The Board reviewed the October 01, 2019 Town of Davie Police Pension Plan meeting minutes. Mr. Davis made a motion to approve the minutes as amended, which was seconded by Mr. Taylor. The Motion Passed 5-0.

WARRANTS APPROVED BY BOARD:

After review and consideration of warrants 1297 through 1318, a motion to approve was made by Mr. Taylor, seconded by Mr. Davis. Motion Passed 5-0.

WARRANT #1297:

Payment of \$1,424.20 made to Mr. Ed Taylor as partial RMD for 2019.

WARRANT #1298:

Payment of \$3,778.68 made to KKJ&L for September 2019 legal services.

WARRANT #1299:

Payment of \$17,801.58 made to LMCG for 3Q2019 fees.

WARRANT #1300:

Payment of \$26,991.78 made to Lyrical Asset in advance for 4Q2019 fees.

WARRANT #1301:

Payment of \$670.00 made to American Express for statement closing 9/28/19

WARRANT #1302:

Payment of \$260.00 made to NCPERS for 2020 Board membership fees.

WARRANT #1303:

Payment of \$20,928.30 made to PNC Capital for 3Q2019 fees.

WARRANT #1304:

Payment of \$8,600.00 made to Saltmarsh, Cleaveland, & Gund for annual audit progress billing.

WARRANT #1305:

Payment of \$945.74 made to training trustee Daniel Perez as reimbursement for attendance at the FPPTA Ponte Vedra conference.

WARRANT #1306:

Payment of \$37.70 made to Trustee Ortenzo as reimbursement for attendance at the FPPTA Ponte Vedra conference.

WARRANT #1307:

Payment of \$23,149.07 made to GH&A for 3Q2019 fees.

WARRANT #1308:

Payment of \$22,290.03 made to Michael Valle as refund of pension contributions.

WARRANT #1309:

Payment of \$828.31 made to Trustee DiMeglio as reimbursement for attendance at the FPPTA Ponte Vedra conference.

WARRANT #1310:

Payment of \$23,540.57 made to ClearBridge LCG for 3Q2019 fees.

WARRANT #1311:

Payment of \$15,744.48 made to ClearBridge MC for 3Q2019 fees.

WARRANT #1312:

Payment of \$5,418.75 made to Dulaney & Company for September 2019 fees.

WARRANT #1313:

Payment of \$2,915.00 made to KKJ&L for October 2019 fees.

WARRANT #1314:

Payment of \$3,980.62 made to Edward Cuneo for adjusted monthly pension benefit.

WARRANT #1315:

Payment of \$237.51 made to Edward Cuneo for a one-time retro payment.

WARRANT #1316:

Payment of \$575.13 made to American Express for statement closing 10/28/2019.

WARRANT #1317:

Payment of \$18,624.87 made to Dahab Associates for 3Q2019 fees.

WARRANT #1318:

Payment of \$1,140.63 made to Trustee Davis as reimbursement for attendance at the FPPTA Ponte Vedra conference.

NEW/UNFINISHED BUSINESS:

None

WEDGE CAPITAL:

Reporting on behalf of Wedge Capital was Mr. Richard Wells. Mr. Wells began by explaining to the Board that Wedge has had some struggles with their mid-cap value strategy along with the fact that only 30% of all value-oriented managers leading the benchmark in performance. Year to date, they trailed the benchmark Russell Midcap Value by 3.58%. On a one-year basis, they trailed the benchmark by 6.35% and on a three-year basis trailed by 0.79%. Mr. Wells acknowledged that they have consistently underperformed the benchmark and explained that a few core stock picks of the portfolio failed to perform as they had anticipated and that underperformance has negatively impacted our specific portfolio.

Mr. Wells advised that they are working diligently to correct these shortcomings and the strategy is to improve the portfolio performance going forward. The Board and Mr. Lee advised Mr. Wells that some leeway would be extended to them to improve the performance with the understanding that it would be more closely monitored and with improvement expected in the very near future.

CLEARBRIDGE – LARGE CAP & MID CAP:

Reporting on behalf of ClearBridge Large Cap was Mr. Terence Fennessy. He advised the Board that prior to beginning his report, Mr. Brian Angerame would be joining us via telephone to discuss the ClearBridge Mid-Cap portfolio. Mr. Angerame thanked the Board for their business and went on to advise that they have remained dedicated to their current investment strategy. They believe it is this strategy that has led to their one year, year to date, and past three-month outperformance of the benchmark Russell Midcap. Leading the way over the past quarter were returns in consumer staples, industrials, and utilities while the greatest underperformers were in the energy and health care sectors.

Mr. Angerame asked the Board if they had any questions to which they did not, and he hung up at that point. Mr. Fennessy then began the large cap growth portfolio presentation. Mr. Fennessy advised that following a nice one-year outperformance of the benchmark Russell 1000 Growth by 3.26%, the year to date return trailed by 0.38% and the 3Q2019 performance trailed the benchmark by 1.11% on a gross of fees basis. Based upon this performance, the Davie Police Pension Plan portfolio performance since inception (April 10, 2017) has been relatively flat, leading the benchmark by one basis point (0.01%). The energy, health care, and materials sectors were the weakest performing in the portfolio with the energy sector being the worst performer.

INTERCONTINENTAL U.S. REAL ESTATE:

Reporting on behalf of Intercontinental was Mr. Pete Hapgood. Mr. Hapgood was joined by Intercontinental U.S. REIF CFO/COO Paul J. Nasser. Mr. Nasser advised the Board that the Intercontinental U.S. REIF continues to be an open-ended comingled investment platform emphasizing liquidity, quarterly redemption, and no lock-out period. Their multi-strategy approach focuses approximately 80% of the capital on Core and Core-Plus properties and approximately 20% in Value-Add opportunities. For the Quarter ending 09/30/2019, the portfolio returned 2.3% net of fees and outperformed the NCREIF ODCE 1.00% or 100 basis points. For the fiscal year to date, the portfolio returned 7.2% net of fees and outperformed the benchmark by 1.6% or 160 basis points.

GARCIA HAMILTON & ASSOCIATES:

Reporting on behalf of GH&A was Ms. Janna Hamilton. Ms. Hamilton thanked the Board for the twenty-four-year relationship with their company, a relationship which began with Jack Hamilton (then Davis, Hamilton & Jackson) in 1995. Ms. Hamilton advised the Board that as the Fed suddenly shifted their policy on rates, the GHA strategy of shorter duration has fallen out of favor and is being adjusted. GH&A will continue to closely monitor the Fed regarding their strategy on future interest rate adjustments to maximize the Plan return. For Q32019 the portfolio outperformed the benchmark by 200 basis points. For the FYTD, the portfolio trailed the benchmark by 200 basis points gross of fees.

ATTORNEY REPORT – KKJ&L:

Reporting on behalf of KKJ&L was Mr. Stu Kaufman. Mr. Kaufman advised that the Court had approved the appointment of co-lead plaintiffs, i.e. Davie Police Pension Plan and Massachusetts Labor Union in the pending National General litigation.

Mr. Kaufman directed that the pending litigation with National General should be placed on the monthly meeting agendas going forward so that any case updates are reviewed in a timely manner with the Board.

Mr. Kaufman advised the Board that the I.M.E. report for Mr. Keith Rubin was back to the firm from the examining physician. The firm will be compiling the Board Trustee books for review and an informal hearing is scheduled for 01/14/2020 at 4:00 P.M.

ACTUARY REPORT - DULANEY & CO:

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney discussed the newest version of the FRS mortality table, and the potential impact that may result in a savings or reduction in Town contributions should it be adopted.¹ Mr. Dulaney also advised the Board that the Town had made its' prepaid pension contributions for 2020 thereby avoiding any interest payments for the year.

PLAN ADMINISTRATOR - PPA:

Mr. Brilliant advised the Board of the Sound Mark capital call for \$1.7m

OPEN DISCUSSION:

Mr. Davis discussed the IFEBP presentation on first responder suicide and mental health as well as medical marijuana.

ADJOURN:

Mr. Davis made a Motion to adjourn the meeting. Mr. Mackie seconded the Motion. Motion passed 5-0. The meeting was adjourned at 6:30 P.M.

The next meeting is scheduled for January 14, 2020 at 4:00 P.M. as the December meeting was cancelled.



Chairman
FOR THE BOARD

¹ The following FRS mortality table presentation was provided to the trustees by the Plan Administrator on November 07, 2019 <https://thefloridachannel.org/videos/10-8-19-florida-retirement-system-actuarial-assumption-conference-experience-study/>