

**TOWN OF DAVIE POLICE PENSION PLAN
MEETING MINUTES
August 11, 2020
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 August 11, 2020 at 1:30 P.M. Due to Executive Order 20-179 which extended Executive Order 20-69, signed by RON DESANTIS, Governor of the State of Florida on March 20, 2020, the Board of Trustees conducted the meeting remotely.

TRUSTEES PRESENT:

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

ABSENT and/or EXCUSED:

None

OTHERS PRESENT:

Mr. Adam Levinson (video) – Klausner, Kaufman, Jensen, & Levinson; Mr. Dave Williams – (video – arrived at 2:30 P.M. and left at 3:00 P.M.) PPA; Mr. David Lee (video) – Dahab; and Mr. Don Dulaney (video), Ms. Corinne Paull and Ms. Lindsey Singer (telephone) - Dulaney & Company; Ms. Janna Hamilton – Garcia Hamilton (video – left at 2:02 P.M.); Ms. Elise Jadhav – (video – arrived at 2:00 P.M. and left at 2:30 P.M.); Mr. Jake Coyne (video - arrived at 2:02 P.M. and left at 2:30 P.M.) Wellington Management; Ms. Jenna Gerstenlauer, Ms. Chrystalle Anstett and Ms. Lauren Walsh – (video – arrived at 2:29 P.M. and left at 2:53 P.M.) SoundMark Partners; Ms. Julie Pierro – (video – arrived at 2:53 P.M. and left at 3:31 P.M.) UBS and Mrs. Patty Ostrander - Administrative Assistant .

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

NEW/UNFINISHED BUSINESS:

Mr. Brilliant discussed with the Board renewal of the Fiduciary Liability and Cyber Insurance policies. Brown and Brown Insurance, current agent for the Plan, supplied their renewal information with the total cost for both coverages.

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The 2019-2020 premiums for the two combined policies was \$10,028.23 while the renewal rate for 2020-2021 premiums will cost the plan \$9,469.50, a savings to the plan of \$558.73 for the same coverage limits. Mr. Mackie made a Motion to approve the renewal. The Motion was seconded by Mr. Taylor. The Motion was passed by a 5/0 vote.

PUBLIC DISCUSSION:

Mr. Brilliant noted that on the public meeting notice the following language was posted, "Any member of the public may submit questions or comments to be read during the public comment section of the meeting to info@mydpdpension.org by August 10, 2020." No comments or questions were received.

CONSENT AGENDA:

None

APPROVAL OF THE MINUTES:

The Board reviewed the July 14, 2020 Town of Davie Police Pension Plan meeting minutes. Mr. Taylor made a Motion to approve the minutes, which was seconded by Mr. Davis. The Motion Passed 5-0.

The Board reviewed the July 30, 2020 Town of Davie Police Pension Plan Special Meeting minutes. Mr. Taylor made a Motion to approve the minutes, which was seconded by Mr. Davis. The Motion Passed 5-0.

WARRANTS APPROVED BY BOARD:

After review and consideration of warrants #1409 through #1421, a motion to approve was made by Mr. Taylor and seconded by Mr. Mackie. The Motion Passed 5-0.

DAHAB ASSOCIATES:

Reporting on behalf of Dahab Consulting was Mr. David Lee. Mr. Lee advised that 1Q2020 had been marked by unprecedented volatility due to the coronavirus pandemic. This resulted in the fastest descent into a bear market in the history of the United States. 2Q2020 however, turned out to be the best quarter for domestic equity markets in over twenty years. On June 30, 2020, the Davie Police Pension Plan was valued at \$178,294,109, representing an increase of \$21,735,950 from the quarter ending March 30, 2020. As of market closing August 10, 2020 the Plan was valued at approximately \$187,000,000.

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For the quarter ending June 30, 2020, the total portfolio returned 15.3% and in the eleventh percentile, YTD -2.5% and in the forty-ninth percentile, and FYTD 3.3% and in the thirty-second percentile, all gross of fees. The composite portfolio outperformed the established shadow index by 3.3% gross of fees. Mr. Lee advised that the diversity of the Plan investments has been the key to protecting the assets.

GARCIA HAMILTON & ASSOCIATES:

Reporting on behalf of GH&A was Ms. Janna Hamilton. Ms. Hamilton advised the Board that during the second quarter, the fixed income portfolio gained 5.21%. This return outperformed the Bloomberg Barclays US Aggregate by 2.31% gross of fees and brings the FYTD, one year, three-year, and five-year numbers above their benchmark. Despite spreads tightening this quarter, GH&A still sees an excellent opportunity in the corporate bond market with spreads at extremely attractive levels. As such, the portfolio is overweight in corporates and agencies while underweight in mortgage backed assets.

SOUND MARK PARTNERS:

Reporting on behalf of Sound Mark was Ms. Jenna Gerstenlauer, Ms. Chrystalle Anstett and Ms. Lauren Walsh. For the quarter ending June 30, 2020, Sound Mark had a -1.3% return but managed to outperform the NCREIF-ODCE index by thirty basis points. With the initial capital call in October 2019 and the second capital call in April 2020, the Davie Police Pension Plan has now invested \$3m with Sound Mark Partners Horizons Fund with a current annualized return of 4.4%. While this significantly trails the projected rate of return, they do see substantial opportunities on the near horizon to strengthen the portfolio. For the YE 2019, the fund returned 11.8% gross and 9.0% net of fees. Overall, seventeen of their nineteen current investments contained in the portfolio are performing as they had expected, while two are underperforming.

UBS (TPG) and UBS (TPF):

Reporting on behalf of UBS was Ms. Julie Pierro. Ms. Pierro thanked the Board for their investment in both the Trumbull Property Growth and Income Fund and the Trumbull Property Fund. As of the quarter ending June 30, 2020, the Davie Police Pension Plan's UBS TPG portfolio was valued at \$1,932,114, a decrease of \$67,886 from the quarter ending March 31, 2020 value of \$2,000,000. The UBS TPG return of -3.4% underperformed the NCREIF Index's return of -1.6%.

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As of quarter ending June 30, 2020, the Davie Police Pension Plan's UBS TPF portfolio was valued at \$4,204,043, a decrease of \$114,853 from the quarter ending March 31, 2020 value of \$4,318,896. The UBS TPF return of -2.4% underperformed the NCREIF Index's return of -1.6%.

WELLINGTON:

Reporting on behalf of Wellington was Ms. Elise Jadhav and Mr. Jake Coyne. Ms. Jadhav introduced herself and Mr. Jake Coyne, who is vice president and investment specialist with Wellington. Mr. Coyne advised that their investment philosophy is based in a bottom up approach, with no real growth or value bias, focusing on company balance sheets and strong management teams. As of quarter ending June 30, 2020, the Wellington Small Cap Opportunities fund returned 25.3% which trailed the Russell 2000 benchmark by ten basis points (.10). For the year to date, the Small Cap Opportunities fund has returned -16.1% which underperformed the benchmark performance of -13.0%.

ATTORNEY REPORT - KKJ&L:

Reporting on behalf of KKJ&L was Mr. Adam Levinson. Mr. Levinson advised the Board that there were currently no new developments in the National General litigation. Motions are before the Court and awaiting rulings by the Judge. Mr. Levinson advised that their Firm is of the belief that Governor Desantis will extend his Executive Order regarding meetings through the end of the year. They will keep the Board advised with developments.

ACTUARY REPORT - DULANEY & CO:

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney, Ms. Corinne Paull and Ms. Lindsey Singer. Mr. Dulaney reviewed for the Board, the August 2020 Horizon Report, a survey of capital market assumptions. He advised the Board that as a matter of routine, he likes to discuss with the Board the Plan assumption rate. He stated that in years of positive market returns, at the assumption rate or above, the Plan should consider a downward adjustment of ten basis points (.10%) eventually leading to the goal of a 7.0% Plan assumption rate.

PLAN ADMINISTRATOR - PPA:

Mr. Brilliant informed the Board that there has been a marked increase of members inquiring about buying back time and, earlier than previously anticipated DROP entries as a result of the movement to defund and disband police agencies.

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OPEN DISCUSSION:

None

ADJOURN:

Mr. Davis made a motion to adjourn which was seconded by Mr. Taylor. Without dissent, the meeting was officially adjourned at 4:18 P.M. The next meeting is scheduled for September 08, 2020 at 1:30 P.M.

CHAIRMAN FOR THE BOARD

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Paul Ortenzo