

**TOWN OF DAVIE POLICE PENSION PLAN  
MEETING MINUTES  
February 09, 2021  
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 February 09, 2021 at 1:30 P.M.

**TRUSTEES PRESENT:**

Mr. Paul Ortenzo – Chairman; Mr. Larry Davis – Board Secretary; Mr. Jack Mackie; Mr. Danny Perez; Mr. Ed Taylor. All Trustees attended the meeting remotely with Mr. Perez arriving at 1:52 P.M.

**ABSENT and/or EXCUSED:**

None

**OTHERS PRESENT:**

Mrs. Patty Ostrander – PPA Administrative Assistant; Mr. David Lee (remote appearance – left at 3:53 P.M.) – Dahab Associates; Mr. Stuart Kaufman (remote appearance) – Klausner, Kaufman, Jensen, & Levinson; Mr. Don Dulaney, Ms. Lindsey Singer and Ms. Corinne Paull; (remote appearance) – Dulaney & Company; Ms. Richelle Cook – American Realty (remote appearance – left at 1:51 P.M.); Ms. Janna Hamilton – Garcia Hamilton (remote appearance - arrived at 1:57 P.M. and left at 2:15 P.M.); Mr. Jeff Detwiler – Garcia Hamilton (remote appearance - arrived at 1:59 P.M. and left at 2:15 P.M.); Mr. Richard Keenan – Hardman Johnston (remote appearance - arrived at 2:17 P.M. and left at 2:46 P.M.); Mr. Jim Pontone – Hardman Johnston (remote appearance - arrived at 2:18 P.M. and left at 2:46 P.M.); and Ms. Jeanine Bittinger and Mr. Richard Cristini – Saltmarsh, Cleaveland, and Gund (remote appearance – arrived at 3:12 P.M. and left at 3:45 P.M.)

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

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**NEW/UNFINISHED BUSINESS:**

None

**PUBLIC DISCUSSION:**

None

**CONSENT AGENDA:**

None

**APPROVAL OF THE MINUTES:**

The Board reviewed the November 10, 2020 Town of Davie Police Pension Plan meeting minutes. Mr. Davis made a motion to approve the minutes, which was seconded by Mr. Taylor. The Motion Passed 4-0 (Mr. Perez was not yet present).

**WARRANTS APPROVED BY BOARD:**

After review and consideration of warrants #1455 through #1487, a motion to approve was made by Mr. Taylor and seconded by Mr. Mackie. The Motion Passed 5-0.

**SALTMARSH, CLEVELAND, & GUND:**

Reporting on behalf of the audit firm of Saltmarsh, Cleaveland, and Gund was Mr. Richard Cristini and Ms. Jeanine Bittinger. Mr. Cristini presented to the Board of Trustees the Town of Davie Police Pension Plan Independent Auditor's Report & Financial Statements September 30, 2020 and 2019. The opinion stated, "In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Town of Davie Police Pension Plan as of September 30, 2020, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America." Mr. Cristini concluded by advising the Board that the audit established the Plan Fiduciary Net Position as a percentage of total pension liability to be 88.22%, as noted on page 32 of the financial statements. A motion was made to accept the Audit 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. Global equity markets surged in 4Q2020 as several vaccine breakthroughs fostered hopes of a return to economic normalcy.

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Advance estimates of Q42020 GDP from the U.S. Bureau of Economic Analysis increased at an annual rate of 4.0%, lower than the 8.7% originally forecast and down significantly from the 33.4% recorded in the previous quarter.

On December 31, 2020, the Davie Police Pension Plan was valued at \$216,013,510, representing an increase of \$26,889,325 from the 3Q2020 ending value of \$178,294,109. For the quarter ending December 31, 2020, the composite account returned 11.2% and ranked in the twenty-third percentile of the Public Fund universe. For the trailing twelve-month period, the Plan returned 15.3% and ranked in the eighteenth percentile. Since September 2010, the Plan has returned 8.9% on an annualized basis and ranked in the twenty-fourth percentile.

**AMERICAN REALTY CORE REALTY:**

Reporting on behalf of GH&A was Ms. Richelle (Hayes) Cook. Ms. Cook advised the Board that American Realty continues to believe in their target rate of return for this portfolio which is between seven and nine percent. She stated they believe this is a realistic target going forward in that they have continued to avoid exposure to regional malls and retail. Their retail exposures are grocery store anchored and therefore felt to be relatively safe harbor. As of December 31, 2020, the Davie Police Pension Plan's account was valued at \$6,191,584, an increase of \$69,779 over the 3Q2020 ending value. For 4Q2020 the account returned 1.4%, which was 0.1% greater than the NCREIF NFI-ODCE index. Since March 2011, the portfolio has returned 9.4% per annum, trailing the NCREIF NFI-ODCE by 0.3%.

**GARCIA HAMILTON & ASSOCIATES:**

Reporting on behalf of GH&A was Ms. Janna Hamilton & Mr. Jeff Detwiler. Ms. Hamilton thanked the Board for the long business relationship, now almost twenty-six years. Mr. Detwiler advised that at the end of the quarter, the total bond portfolio was comprised of approximately 20% USG quality securities. The remainder of the portfolio consisted of corporate securities rated AAA through A, giving the portfolio an average quality rating of AA. As of 4Q2020 end, the portfolio was valued at \$39,358,730 representing an increase of \$240,398 over the QE 9/30/2020 value.

For the fourth quarter, the portfolio returned 0.7%, which was equal to the Custom Fixed Income Index's rate of return and ranked in the 78<sup>th</sup> percentile. Over the trailing year, the portfolio returned 8.2% which outperformed the benchmark by 0.7% and ranked in the 59<sup>th</sup> percentile.

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**HARDMAN JOHNSTON ASSET MANAGEMENT:**

Reporting on behalf of Hardman Johnston Asset Management was Mr. Richard Keenan & Mr. Jim Pontone. Mr. Keenan advised that the firm remains 100% employee owned and currently has \$9.5B in assets under management. Their philosophy continues to follow a focused and disciplined investment process that results in concentrated, high conviction portfolios with low turnover and high active share. As of December 31, 2020, the Davie Police Pension Plan's portfolio was valued at \$29,664,170, representing an increase of \$5,405,525 over the QE 9/30/2020 valuation. For the fourth quarter, the portfolio gained 22.5%, which outperformed the MSCI EAFE index by 6.4% and ranked in the 15<sup>th</sup> percentile. Over the trailing year, the portfolio returned 36.5% which outperformed the benchmark by 28.2% and ranked in the 7<sup>th</sup> percentile.

**ATTORNEY REPORT – KKI&L:**

Reporting on behalf of KKI&L was Mr. Stu Kaufman. Mr. Kaufman advised that the Judge presiding over the National General lawsuit was dismissing the suit and stated that he felt that the plaintiff had not sufficiently shown motive/intent on the part of the National General defendants. The Judge was giving twenty-one days for the plaintiff's attorneys to amend and refile the complaint with the court. Mr. Kaufman advised the Board that he will be prepared and prep the Board for the March meeting regarding pension issues involving Mr. Savin and Mr. Olenchak.

**ACTUARY REPORT – DULANEY & CO:**

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney provided the Board with copies of the Actuarial Valuation of the Town of Davie Police Pension Plan as of October 01, 2020. This Actuarial Valuation develops the required minimum Retirement Plan payment for the fiscal year beginning October 1, 2020 and ending September 30, 2021 under the Florida Protection of Public Employee Retirement Benefits Act and Chapter 185. The minimum payment consists of payment of annual normal cost, plus amortization of the unfunded actuarial accrued liability over various periods, and interest, as prescribed by law. The required funding amount for the plan/fiscal year ending September 30, 2021, to be met by the Town and State contributions under Chapter 185, is \$7,087,833 or 45.8% of the covered payroll.

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Mr. Dulaney completed his review of the Valuation Report for the Board and a motion was made to adopt the report by Mr. Davis, it was seconded by Mr. Taylor and passed by a 5-0 vote. A Motion to confirm adopting the actuary recommended assumption rate of 7.4% for this fiscal year was made by Mr. Ortenzo, with it being the long-term goal of the Plan to reduce the rate by 0.10% each successive year until reaching the target rate of 7.0%. The motion, as presented by Mr. Ortenzo was seconded by Mr. Davis and the motion passed 5/0.

**PLAN ADMINISTRATOR - PPA:**

Mr. Brilliant advised the Board that Mark Savin has requested to appear before the Board at the March meeting regarding changing his benefit selection. Mr. Kaufman advised he will prepare for the Board the associated governing rules.


**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 3:55 P.M. The next meeting is tentatively scheduled for March 09, 2021 at 1:30 P.M.

***CHAIRMAN FOR THE BOARD***

DocuSigned by:  
  
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***Paul Ortenzo***