

**TOWN OF DAVIE POLICE PENSION PLAN
MEETING MINUTES
May 11, 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 May 11, 2021 at 1:35 P.M. The meeting was conducted remotely.

TRUSTEES PRESENT:

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

ABSENT and/or EXCUSED:

None

OTHERS PRESENT:

Mrs. Patty Ostrander – PPA Administrative Assistant; Mr. Stuart Kaufman (remote appearance) – Klausner, Kaufman, Jensen, & Levinson; Mr. Don Dulaney and Ms. Lindsay Singer (remote appearance) – Dulaney & Company; Mr. David Lee – Dahab Associates (remote appearance) – Ms. Janna Hamilton and Mr. Jeff Detweiler – Garcia Hamilton (remote appearance and left at 2:04 P.M.); Ms. Jenna Oliver and Mr. Andrew Morey – LMCG (arrived at 1:59 P.M. and left at 2:24 P.M.); Mr. Jason Jarjosa and Mr. Mike Lucci – Bloomfield Capital (arrived at 2:16 P.M. and left at 2:45 P.M.); Ms. Chrystalle Anstett, Ms. Lauren Walsh and Ms. Jenna Gerstenlauer – SoundMark (arrived at 2:45 P.M. and left at 3:15 P.M.); Mr. Matt McCue – Financial Investment News (left at 3:10 P.M.); Mr. Brett Newton, Ms. Brittany Assam (left at 2:00 P.M.); Mr. Angel Ramirez (left at 2:05 P.M.), Ms. Lily Hafter (left at 1:58 P.M.); Mr. Johnnie Bennett (left at 2:04 P.M.) and Mr. Benjamin Diaz (left at 2:53 P.M.) – Davie Police Department.

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 April 13, 2021 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 5-0

WARRANTS APPROVED BY BOARD:

After review and consideration of warrants 1510 - 1527, a motion to approve was made by Mr. Taylor and seconded by Mr. Mackie. The Motion Passed 5-0

GARCIA HAMILTON & ASSOCIATES:

Reporting on behalf of GH&A was Ms. Janna Hamilton and Mr. Jeff Detweiler. Ms. Hamilton thanked the Board for the 26-year relationship between the Plan and Garcia Hamilton. The GH&A fixed income portfolio lost 3.4% during 1Q2021 and ranked in the 69th percentile of the Core Fixed Income universe. Over the trailing year, the portfolio returned 3.2% which was an outperformance of the benchmark by 2.5% and ranked in the 53rd percentile.

LMCG INVESTMENTS:

Presenting on behalf of LMCG Investments was Ms. Jenna Oliver and Mr. Andrew Morey. Ms. Oliver advised that the firm now had over \$7.6B in assets under management (AUM) and no changes in their strategy or management. At the close of 1Q2021, the Davie Police Pension Plan SCG portfolio was valued at \$12,454,356, a decrease of \$112,014 from the 4Q2020 ending value. Over the trailing year, the portfolio returned 83.7%, which was 6.5% less than the benchmark and ranked in the 76th percentile. Since June 2016, the account has returned 17.8% per annum and ranked in the 74th percentile. The benchmark Russell 2000 Growth returned an annualized 18.8% over the same time period.

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The LMCG SCG portfolio underperformed the index in eight of the nine invested sectors, which can be attributed to selection effects. Overall, the portfolio underperformed its index by 560 basis points or (5.6%) for 1Q2021 and continues to underperform. The Trustees advised Mr. David Lee to monitor their performance closely going forward and to suggest any changes as may be warranted.

BLOOMFIELD CAPITAL PARTNERS:

Presenting on behalf of Bloomfield Capital Partners was Mr. Jason Jarjosa and Mr. Mike Lucci. Mr. Jarjosa reiterated that Bloomfield Capital Partners is an alternate credit real estate fund with a target investment return of 7 – 9.5% and retaining a first position whenever possible. As of 1Q2021, the fund returned 3.2% which was 1.1% above the benchmark NCREIF NFI-ODCE index return of 2.1%. Over the trailing year, the portfolio returned 13.5% which outperformed the benchmark by 11.2%. The portfolio was fully invested as of the end of the first quarter. However, \$1,162,362 remained uncalled as of 3/31/2021.

SOUND MARK PARTNERS:

Presenting on behalf of Sound Mark Partners was Ms. Chrystalle Anstett, Ms. Lauren Walsh and Ms. Jenna Gerstenlauer. Ms. Anstett advised the Board that Sound Mark currently has a \$436M capital deployment over 40 investments with a net I.R.R. of 9.3% unlevered. They are immensely proud of the fact that they have no fund level leverage in the portfolio since inception. During the first quarter, the Sound Mark Partners Horizons Fund returned 5.0%, which outperformed the NCREIF NFI-ODCE index by 2.9%. Over the trailing year, the portfolio returned -5.2%, which was 7.5% below the benchmark return of 2.3%.

DAHAB AND ASSOCIATES:

Reporting on behalf of Dahab & Associates was Mr. David Lee. As of March 31st, 2021, the Davie Police Pension Plan was valued at \$217,649,664, representing an increase of \$1,614,486 from the 4Q2020 ending value. For 1Q2021, the Composite account gained 2.3%, which ranked in the 76th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 39.6%, ranking in the 15th percentile. Mr. Lee discussed with the Board the underperformance on behalf of some of the managers. He advised that as the market conditions have been challenging at best, he did not feel that dismissal of any of the managers would be warranted at this time.

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Mr. Lee went on to advise that the managers who are underperforming will be closely monitored against their respective benchmarks to determine if the need for further action exists.

In response to a request made by Mr. Ortenzo, Mr. Lee addressed the possible investment by the Plan in Affiliated Housing Impact Fund, an opportunity zone investor. Mr. Lee advised that this type of investment has not normally been considered. However, in response to the request of Mr. Ortenzo, Dahab Associates conducted some research and found that this investment opportunity lacked enough statistical data, at this point in time, from which to accurately determine the efficacy of such an investment for the Davie Police Pension Plan.

ATTORNEY REPORT – KKJ&L:

Reporting on behalf of KKJ&L was Mr. Stu Kaufman. Mr. Kaufman advised that the firm is gradually returning to the office and attending some meetings in person. With regard to this Plan, as there is no mandate from the Town of Davie regarding meeting format, the opinion of the Firm is that the meetings may continue in their current remote format, in-person, or a hybrid of in-person and remote. This decision is at the discretion of the Board.

Regarding the National General litigation status, Mr. Kaufman advised that the decision of the Judge is currently being appealed by Robbins, Geller, Rudman, & Dowd, a process which could take from several months to over a year.

Mr. Kaufman advised that KKJ&L has compiled a New Trustee Handbook for distribution to the Plan should they desire them.

ACTUARY REPORT – DULANEY & CO:

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney discussed the report prepared by Horizon Actuarial Services, LLC. concerning the expected long-term (20-year) rates of return for asset classes. What Mr. Dulaney extrapolated from this report is that going forward, the expected rates of return over all asset classes will continue to decrease gradually. Mr. Dulaney advised that this anticipated decrease in investment returns across all asset classes coincides with the plan to continue to adjust downward by the Plan assumption rate to reach the current goal of 7.0%.

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PLAN ADMINISTRATOR - PPA:

Mr. Brilliant discussed with the Board the upcoming remote FPPTA conference as well as the live attendance summer program. All members chose to attend the remote conference and defer any live attendance at this time. As there is currently no pending business before the Board, it was decided to cancel the June meeting.

OPEN DISCUSSION:

None

ADJOURN:

Mr. Davis made a motion to adjourn which was seconded by Mr. Mackie. Without dissent, the meeting was officially adjourned at 4:05 P.M. The next meeting is tentatively scheduled for July 6, 2021 at 1:30 P.M.

CHAIRMAN FOR THE BOARD

DocuSigned by:

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Paul Ortenzo