

**TOWN OF DAVIE POLICE PENSION PLAN
MEETING MINUTES
August 09, 2022
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 09, 2022, at 1:30 P.M. The meeting was conducted remotely due to the on-going health concerns and potential spread of Covid and its variants. There was a quorum present to conduct an official meeting of the Davie Police Pension Plan Board of Trustees.

TRUSTEES PRESENT:

Mr. Paul Ortenzo – Chairman; Mr. Jack Mackie and Mr. Ed Taylor and Mr. Danny Perez - Trustees. All Trustees were in attendance remotely for the meeting.

ABSENT and/or EXCUSED:

Mr. Larry Davis – Jury Duty

OTHERS PRESENT:

Mrs. Patty Ostrander (remote) – PPA Administrative Assistant; Mr. Stu Kaufman (remote) – Klausner, Kaufman, Jensen, & Levinson and Mr. Don Dulaney; (remote) – Dulaney & Company; Mr. David Lee – Dahab Associates (remote appearance); Ms. Elise Jadhav (arrived at 1:57 P.M. and left at 2:16 P.M.) and Ms. Lucy Schiller – Wellington (remote appearance – arrived at 1:59 P.M. and left at 2:16 P.M.); Ms. Julie Pierro, Mr. Tim Walsh (TPG&I) and Mr. Paul Canning (TPF) – UBS (remote appearance - arrived at 2:20 P.M. and left at 3:03 P.M.); Mr. David Weeks and Mr. Tom Capobianco – LMCG (remote appearance – arrived at 3:03 P.M. and left at 3:30 P.M.).

PUBLIC DISCUSSION:

None submitted.

NEW/UNFINISHED BUSINESS:

Mr. Ortenzo discussed the FOP Lodge #100 negotiated collective bargaining agreement and its status with the Town. There were no items negotiated which would impact the pension plan.

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CONSENT AGENDA:

None

WARRANTS APPROVED BY BOARD:

After review and consideration of Plan warrants #1661 – 1673 inclusive, a Motion to approve was made by Mr. Taylor, seconded by Mr. Perez. The Motion passed 4/0.

APPROVAL OF THE MINUTES:

The Board reviewed the minutes as amended from the July 12, 2022, Town of Davie Police Pension Plan Board of Trustees meeting. A Motion was made to approve the minutes as amended by Mr. Taylor, seconded by Mr. Mackie. The Motion passed 4/0.

ACTUARY REPORT – DULANEY & CO:

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney advised that as the September 30, 2021 and 2020 financial statements had been revised by Saltmarsh, Cleaveland, & Gund, it resulted in their preparing a revised actuarial valuation. As there was a revised actuarial valuation, the State was contacted to determine their standing as to the submission of a revised 112 report. Doug Beckendorf, actuary for the State, advised Mr. Dulaney that they had no strong opinion either way as to resubmission of the report. During discussion with the Board, it was decided that it would be proper to submit a revised version of the 112 report to ensure the continuity of reporting. A Motion was made by Mr. Taylor with a Second by Mr. Perez to have Mr. Dulaney submit a revised 112 report to the State. The Motion passed 3/0 (Mr. Mackie had stepped away from the meeting). This concluded the report.

ATTORNEY REPORT – KKJ&L:

Reporting on behalf of KKJ&L was Mr. Stu Kaufman. It had been recommended by Laura Stein of Robbins/Geller that the Plan participate in ongoing litigation against Clarivate. Mr. Kaufman advised that they (KKJL) had reviewed the complaint and concurred with the recommendation. As such, timeliness required Chairman Ortenzo to execute the letter of intent on 8/8/2022 for submission and filing with the Court. A Motion to participate in the litigation was made by Mr. Taylor, with a Second by Mr. Mackie. Motion passed 4/0. Mr. Kaufman requested the topic of Clarivate be placed on upcoming meeting agendas until further notice.

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As the Board recently engaged KSDT as its auditing firm after an RFP process, the hiring of a bookkeeper is necessitated to assist. JKennedy Bookkeeping LLC was suggested as a viable firm for the position. A Motion to retain their services was made by Mr. Taylor with a Second by Mr. Perez. The Motion passed 3/0 (Mr. Mackie had stepped away from the meeting). Mr. Kaufman advised he would contact JKennedy Bookkeeping LLC and prepare an engagement letter. This concluded the report.

UBS (TPG) and UBS (TPF):

Reporting on behalf of UBS was Ms. Julie Pierro, Mr. Tim Walsh and Mr. Paul Canning. Mr. Walsh began by reminding the Board of what the (TPG) Trumbull Property Growth & Income Fund is. TPG is an open end, core plus fund designed to deliver a balanced portfolio with growth and income. Their performance goal is to outperform the NFI-ODCE index by at least 200 bps per annum over any given market cycle. Currently, they have approximately \$30b in AUM with a leverage ratio of 39%. Mr. Walsh advised that for 2Q2022, the TPG returned 2.8%, which trailed the index by 2%. Over the trailing twelve-month period, the account returned 32.8%, which outperformed the index by 3.3%. Mr. Walsh stated that since March 2020, the Trumbull Property Growth & Income (TPG) has returned 17.5% on an annualized basis while the NCREIF NFI-ODCE Index returned 15.3% over the same period.

Presenting for the Trumbull Property Fund (TPF) account, Mr. Canning reminded the Board that the fund is a diversified core fund with a current leverage position of 18.6% compared with 21% for the NFI-ODCE. They have continued to struggle with their “non-strategic assets,” of which 33 of the 44 assets have been sold off or repositioned. For 2Q2022, the TPF returned 4%, which trailed the index by eighty basis points. Over the trailing twelve-month period, the account returned 24.6%, which trailed the index return by 4.9%. Mr. Canning stated that since inception (06/2012), the Trumbull Property Fund (TPF) has returned 8% on an annualized basis while the NCREIF NFI-ODCE Index returned 11.2% over the same period, an underperformance of 3.2%. Mr. Canning explained that returns are anticipated to climb modestly as they continue the liquidation of the “non-strategic assets.” This concluded the report.

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WELLINGTON:

Reporting on behalf of Wellington was Ms. Elise Jadhav and Ms. Lucy Shiller. Ms. Jadhav advised the Board that they appreciated the continued trust shown by the Board in their process. They believe in an opportunistic investment approach which can result in differentiated sources of alpha, making it less dependent upon the market environment, and therefore less volatile.

As of 2Q2022, the portfolio was valued at \$11,423,057, representing a decrease of \$1,988,414 over the 1Q2022 ending value. The portfolio returned -14.8%, which outperformed the Russell 2000 Index return of -17.2%. Over the trailing year, this portfolio returned -16.0%% which outperformed the benchmark return of -25.2% and ranked in the 47th percentile. Since inception (12/2019) the portfolio has returned 5.2% per annum, outperforming the index by 1.4%. This concluded the report.

LMCG:

Presenting on behalf of LMCG and their Serenitas investment strategy, was Mr. David Weeks and Mr. Tom Capobianco. Mr. Capobianco thanked the Board for the opportunity to present this investment product for consideration and advised that LMCG is now 80% employee owned. Mr. Weeks described the Serenitas Credit Gamma Fund for the Board. The presentation detailed their intensely analytical approach to the credit markets, to include mortgage credit, corporate credit, and other credit instruments. Following the completion of their presentation, the Board advised them they would consider the proposal and advise at a later date. In follow up conversation after the presenters left the virtual meeting, additional conversation was had with Plan consultant Mr. Lee, with the Board ultimately deciding that the timing was not right to engage with this investment strategy.

DAHAB ASSOCIATES:

Reporting on behalf of Dahab Consulting was Mr. David Lee. Mr. Lee reported that as of June 30, 2022, the Davie Police Pension Plan was valued at \$198,682,636, which represented a decrease of \$28,162,115 from the March 31, 2022, ending value of \$226,844,751. During the last three months, the account posted net withdrawals equaling \$24,414,675. The fund's net investment loss was a product of income receipts totaling \$731,265 and \$25,145,940 in net realized and unrealized capital losses.

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During the second quarter, the portfolio lost 10.8%, which ranked in the 69th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned -10.6%, which ranked in the 60th percentile. Over the trailing three-year, five-year, and ten-year periods, the fund has returned 5.8%, 6.5%, and 7.7% respectively. All ranking in the mid fortieth percentile of the Public Fund universe.

Mr. Lee advised the Board that of all asset classes contained in our portfolio, the real estate segment was the only one in positive return territory. Even with this positive return, they slightly trailed their respective benchmark.

At the end of the second quarter, large cap equities comprised 31% of the total portfolio (\$61.6 million), while mid cap equities totaled 9.9% (\$19.7 million). The account's small cap equity segment totaled 10.5% (\$20.9 million), while international equities totaled 11.1% (\$22.0 million). The real estate segment totaled 20.3% of the portfolio's value and the fixed income component made up 16% (\$31.8 million). The remaining 1.2% (\$2.4 million) was comprised of cash and equivalents. This concluded the report.

PLAN ADMINISTRATOR - PPA:

Mr. Brilliant had nothing additional for the Board.

OPEN DISCUSSION:

None

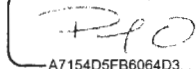
ADJOURN:

Mr. Taylor made a Motion to adjourn which was seconded by Mr. Mackie. Without dissent, the meeting was officially adjourned at 4:15 P.M.

The next meeting is tentatively scheduled for September 13, 2022, at 1:30 P.M.

CHAIRMAN FOR THE BOARD

DocuSigned by:



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Paul Ortenzo