

**TOWN OF DAVIE POLICE PENSION PLAN  
MEETING MINUTES  
April 04, 2023  
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 April 04, 2023, at 1:30 P.M. The meeting was conducted remotely due to on-going concerns regarding the potential spread of Covid and its numerous 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. Larry Davis – Secretary (left at 2:30 P.M.); Mr. Jack Mackie, Mr. Danny Perez, and Mr. Ed Taylor - Trustees. All Trustees were in attendance remotely for the meeting.

**ABSENT and/or EXCUSED:**

None

**OTHERS PRESENT:**

Mrs. Patty Ostrander – PPA Administrative Assistant; Mr. Stu Kaufman – Klausner, Kaufman, Jensen, & Levinson; Mr. David Lee – Dahab and Associates; Mr. Don Dulaney – Dulaney & Company (left at 2:15 P.M.); Mr. Richard Lemack and Mr. William Ackerman – Town of Davie (arrived at 1:30 P.M. and left at 2:00 P.M.); Mr. Khaled Ali and Mr. Eric Levanthal – KSDT (arrived at 1:30 P.M. and left at 1:55 P.M.); Mr. David Cooke & Mr. Michael Siciliano – Fiera (arrived at 2:15 P.M. and left at 2:45 P.M.) and Mr. Jim Skesavage & Mr. Joe Hudepohl – Atlanta Capital (arrived at 2:45 P.M. and left at 3:15 P.M.).

**PUBLIC DISCUSSION:**

None submitted.

**NEW/UNFINISHED BUSINESS:**

None

**CONSENT AGENDA:**

None

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**WARRANTS APPROVED BY BOARD:**

After review and consideration of Plan warrants #1745 – #1768 inclusive, a Motion to approve was made by Mr. Davis, seconded by Mr. Mackie. Motion passed 5/0.

**APPROVAL OF THE MINUTES:**

The Board reviewed the minutes from the February 14, 2023, Town of Davie Police Pension Plan Board of Trustees meeting. A Motion was made to approve the minutes by Mr. Davis, seconded by Mr. Mackie. Motion passed 5/0.

**KSDT:**

Reporting on behalf of the audit firm of KSDT was Mr. Eric Leventhal and Mr. Khalid Ali.

Mr. Leventhal and Mr. Ali presented to the Board of Trustees, the Town of Davie Police Pension Plan Independent Auditor's Report & Financial Statements September 30, 2022, and 2021. 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, 2022, and 2021, 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." A motion was made to accept the "DRAFT" Audit results by Mr. Taylor and Seconded by Mr. Mackie. Motion passed 5/0. A Motion to authorize the Board Chairman to sign the Management Rep letter and the finalized version of the audited financial statements was made by Mr. Mackie, Seconded by Mr. Davis. Motion passed 5/0. This concluded the report.

The report may be viewed in its entirety on the Pension Plan website at: <https://www.mydpdpension.org/>

**KLAUSNER, KAUFMAN, JENSEN, & LEVINSON:**

Mr. Kaufman advised the Board that he had no new information to report at this time.

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**DULANEY & COMPANY ACTUARIAL:**

Mr. Dulaney advised that as directed by the Board, he had worked with Chairman Ortenzo to determine the optimum smoothing term for the Plan, a term to allow for more consistency in funding projections.

Previously, the Plan had operated with a three-year smoothing process, but due to the extreme volatility of the market in fiscal year 2022 and the accompanying investment losses, Mr. Dulaney was asked to calculate if a different smoothing term would more accurately represent the Plan funding requirements going forward, thus allowing for more stability and less of the dramatic variations generated with excessive returns or losses. It was determined by him and Mr. Ortenzo that four years would seem to be optimal at this point in time.

The Board listened as Mr. Dulaney reported and a Motion was made by Mr. Taylor with a Second by Mr. Mackie to approve the adoption of a four year smoothing process. Motion passed 5/0.

Mr. Dulaney advised that he would present the actuarial valuation at the May meeting for consideration of the Board. This concluded the report.

**NEW/UNFINISHED BUSINESS:**

Mr. David Lee of Dahab reviewed with the Board of Trustees the short list of two finalists in the LCG search conducted as a result of the ClearBridge underperformance. The finalists were Fiera and Atlanta Capital. All have performed well versus the benchmark (Russell 1000 Value) and Mr. Lee advised that Dahab would be comfortable recommending either of the two candidates to the Board for investment. Each of the two presenting Firms were limited to thirty minutes to present their respective product for the Board with a question-and-answer period included.

**FIERA CAPITAL:**

Opening comments on behalf of Fiera were presented by Mr. Michael Siciliano and Mr. David Cook. They thanked the Board for the opportunity to present their product for consideration and advised that Fiera Capital is an independent firm based out of New York, New York with a total of approximately \$27.8B in assets under management, of which \$193mm is invested in this particular strategy.

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As to the philosophy of the Firm, Mr. Siciliano advised that their team believes the intersection of bottom-up stock selection and top-down global trend/theme is the key driver of alpha in the portfolio. The focus is on companies with strong growth characteristics and reasonable valuations that are beneficiaries of global trends.

The fundamental research process begins with screening the FactSet database of U.S. listed securities within the market capitalization range of the Russell 1000 Growth Index and select ADRs (an American depositary receipt is a negotiable security that represents securities of a foreign company and allows that company's shares to trade in the U.S. financial markets.) FactSet is used to develop the proprietary focus list which encompasses growth, valuation, and company specific growth characteristics. A unique understanding of a company's growth drivers is emphasized in the analysis.

With a five-year upside capture of 102.35 and a five-year downside capture of 86.17, they believe this plays well into their strategy of better downside protection than full upside capture.

There were no questions from the Board at this time and the presentation was concluded with both presenters thanking the Board for their time and consideration.

**ATLANTA CAPITAL:**

Opening comments on behalf of Atlanta Capital were presented by Mr. Jim Skesavage and Mr. Joe Hudepohl with both thanking the Board for the opportunity to present their product for consideration.

They advised that Atlanta Capital is a subsidiary of Morgan Stanley based in Atlanta, Georgia with approximately \$25.7B in total assets under management and \$1.1B invested in this particular high quality focused growth strategy.

Mr. Skesavage stated that the philosophy for their portfolio of 20-30 securities is that they believe companies with a demonstrated history of consistent growth and stability in earnings provide attractive returns with moderate risk over the long term. The investment team generates investment ideas from a focused universe of approximately 125-150 companies with market capitalizations greater than \$3B.

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The portfolio managers do not generate this focused universe through periodic screens, but rather the team builds this list of closely followed companies through collective and individual institutional knowledge over years and decades of covering and analyzing individual companies throughout their careers.

With their presentation completed, the Board indicated they had no further questions at this time. Mr. Skesavage and Mr. Hudepohl thanked the Board for the opportunity to present their product for consideration.

After all the presenters had left the meeting, Mr. Lee advised the Board that Dahab would be comfortable investing in either of the presented products. At this point the Board indicated they had no further questions and a Motion to hire Atlanta Capital as a large cap growth manager was made by Mr. Taylor, with a Second by Mr. Perez. Motion passed 4/0 as Mr. Davis was not present for the vote.

Mr. Lee advised he would direct Mr. Brilliant to the allocation of funds from the different accounts to fulfill this investment decision by the Board.

**PLAN ADMINISTRATOR - PPA:**

None

**OPEN DISCUSSION:**

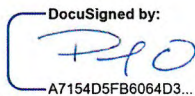
None

**ADJOURN:**

A Motion was made at 3:25 p.m. to adjourn by Mr. Taylor with a Second by Mr. Mackie. The Motion passed without dissent, 4/0. Mr. Davis was not present for this vote.

The next meeting is tentatively scheduled for May 9, 2023, at 1:30 P.M.

***CHAIRMAN FOR THE BOARD***

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***Paul Ortenzo***