

**TOWN OF DAVIE POLICE PENSION PLAN  
MEETING MINUTES  
May 10, 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 May 10, 2022, at 1:36 P.M. The meeting was conducted remotely due to on-going health concerns (Covid/Omicron) and 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 – Board Secretary; Mr. Jack Mackie and Mr. Danny Perez - Trustees. All Trustees were in attendance remotely for the meeting.

**ABSENT and/or EXCUSED:**

Mr. Ed Taylor

**OTHERS PRESENT:**

Mrs. Patty Ostrander (remote) – PPA Administrative Assistant; Mr. Stu Kaufman (remote appearance) – Klausner, Kaufman, Jensen, & Levinson; Mr. Don Dulaney; (remote appearance) – Dulaney & Company; Mr. David Lee (remote appearance) – Dahab & Associates; Ms. Janna Hamilton – Garcia Hamilton (remote appearance arrived at 2:30 P.M. and left at 2:48 P.M.); Mr. Jason Jarjosa and Mr. Mike Lucci – Bloomfield Capital (remote appearance at 2:00 P.M. and left at 2:35 P.M.); Ms. Chrystalle Anstett, Ms. Lauren Walsh and Ms. Jenna Gerstenlauer – SoundMark (remote appearance at 2:50 P.M. and left at 3:15 P.M.).

**PUBLIC DISCUSSION:**

None

**CONSENT AGENDA:**

None

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**APPROVAL OF THE MINUTES:**

The Board reviewed the minutes as amended from the March 08, 2022, Town of Davie Police Pension Plan Board of Trustees meeting. A Motion was made to approve the minutes as amended by Mr. Davis, seconded by Mr. Mackie. The Motion passed 4/0.

**WARRANTS APPROVED BY BOARD:**

After review and consideration of warrants # 1625 – 1647 inclusive, a Motion to approve was made by Mr. Davis, seconded by Mr. Perez. The Motion passed 4/0.

**DAHAB ASSOCIATES:**

Reporting on behalf of Dahab Consulting was Mr. David Lee. Mr. Lee reported that as of March 31, 2022, the Davie Police Pension Plan was valued at \$226,844,751, representing a decrease of \$16,779,428 from the 4Q2021 ending value of \$243,624,179. In addition to market fluctuations, the decrease in the Plan was also impacted by several individuals DROP account rollovers.

For the quarter ending March 31, 2022, the composite account returned -5.7% net of fees and ranked in the eighty-first percentile of the Public Fund universe. For the trailing twelve-month period, the Plan returned 5.6% net of fees and ranked in the thirty-ninth percentile. Since March 2012, the Plan has returned 8.7% on an annualized basis and ranked in the thirty-ninth percentile of all public funds.

Mr. Lee advised that with the uncertainty of rising inflationary rates and the Federal Reserve's attempts to slow it, the market has continued to be quite volatile and reactionary to these inputs. That said, they feel that inflation should begin to trek downward from here, leading to a slight increase in market stability.

**ACTUARY REPORT – DULANEY & CO:**

Reporting on behalf of Dulaney & Company was Mr. Don Dulaney. Mr. Dulaney advised the Board that the Chapter 112 report, as required by the State of Florida, had been completed and submitted to the State for review.

Additionally, he has been working to complete the FOP requested financial impact studies for their contract negotiations.

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Mr. Dulaney advised that there is discussion on the Federal level to raise the current required minimum distribution age from seventy-two to seventy-five years of age. He will keep us informed of any changes as they become effective. Mr. Kaufman echoed the sentiment and will also be watching for any changes.

**GARCIA HAMILTON & ASSOCIATES:**

Reporting on behalf of GH&A was Ms. Janna Hamilton. Ms. Hamilton thanked the Board for the long business relationship and vowed that the firm is working diligently to improve their performance against the custom index. On March 31, 2022, the GH&A account was valued at \$33,964,382, a decrease of \$3,041,331 from the December ending value.

During the first quarter of 2022, the Davie Police Pension Plan GH&A portfolio returned -4.4% net of fees, which was 1.5% greater than the -5.9% of the Custom Index to which the account is benchmarked. This performance ranked in the fourth percentile of the Core Fixed Income universe and the portfolio, although currently posting negative returns, has annually outperformed the Custom Index for the past five years running.

**BLOOMFIELD CAPITAL PARTNERS:**

Presenting on behalf of Bloomfield Capital Partners was Mr. Jason Jarjosa and Mr. Mike Lucci. Mr. Jarjosa advised the Board that their goal is to generate higher yield returns over shorter periods of time. Investment dollars are generally buffered from the "first dollar of risk," with ninety percent of Bloomfield Investments being super senior debt and fully secured positions.

For the quarter ending March 31, 2022, the gross portfolio performance was 4.7% which trailed the NCREIF ODCE by 2.7%. The Davie Police Pension Plan \*Net IRR\* for Fund 5-A since inception is 10.1% while the Fund Net IRR is 11.0%. The Davie Police Pension Plan Net IRR for Fund 5-B since inception is 8.4% while the Fund Net IRR is 8.9%.

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**\*GROSS IRR** is calculated by factoring in investment capital inflows and outflows including loan-level and asset-level servicing expenses such as collateral protection payments, consulting fees, servicing fees, and any commissions and profit allocations to third parties. **NET IRR** is calculated by factoring in investment capital inflows and outflows as well as other factors that affect investor returns such as historical organization costs, fund-level income and expenses, and asset and transaction expenses.

**SOUND MARK PARTNERS:**

Presenting on behalf of Sound Mark Partners was Ms. Chrystalle Anstett, Ms. Lauren Walsh and Ms. Jenna Gerstenlauer. Ms. Gerstenlauer advised the Board that to date, approximately 73.8% of the \$5M investment commitment has been called.

For the QE 3/31/2022, the Sound Mark Partners Horizons Fund gained 1.5% net of fees, which was 5.9% less than the NCREIF NFI-ODCE Index's return of 7.4%. Over the trailing twelve-month period, the account returned 10% net of fees, which was 18.4% below the benchmark's 28.4% performance. Since December 2019, the portfolio returned 4.3% per annum, while the NCREIF NFI-ODCE Index returned an annualized 13.4% over the same period. This underperformance was discussed and both Ms. Gerstenlauer and Ms. Anstett stated that they were confident that returns would improve going forward due to their investment strategies.

**NEW/UNFINISHED BUSINESS:**

None

**ATTORNEY REPORT – KKJ&L:**

Reporting on behalf of KKJ&L was Mr. Stu Kaufman. Mr. Kaufman advised that the pending disability issue for Mr. Holste is progressing, and the IME was to have been conducted this morning by Dr. Dweck. The IME report should be completed and submitted within two weeks. Counsel will review the report and distribute it to the Board for review. An informal hearing will then be scheduled for the Board to decide whether to grant the disability.

Mr. Kaufman stated that there were no new developments in the Florida Legislature regarding pensions but that on the Federal level, there was some discussion regarding raising the age for RMD's (required minimum distributions) from seventy-two to seventy-five years of age.

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Mr. Ortenzo inquired as to there being any value in conducting a review of current pension ordinances and resolutions to determine their accuracy as applied to the Plan today. Mr. Kaufman advised that ordinances and resolutions are enacted by Town Council and as such would need to be reviewed by their legal staff to determine validity. Mr. Kaufman continued that the topic of codification of these ordinances and resolutions has been broached previously with there being resistance from the Town to do so.

**PLAN ADMINISTRATOR - PPA:**

Considering the myriad of issues surrounding the most recent audit process and the difficulties encountered with the firm, Mr. Mackie made a motion to put the annual audit process out for RFP, seconded by Mr. Perez. Motion passed 4-0. Mr. Dulaney will continue to prepare the State Report going forward.

Bookkeeper – Mr. Kaufman stated that we do not need to put the bookkeeper duties out for RFP, and he can refer some companies to our Plan.

**OPEN DISCUSSION:**

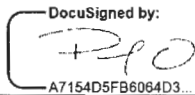
None

**ADJOURN:**

Mr. Davis made a Motion to adjourn which was seconded by Mr. Mackie. Without dissent, the meeting was officially adjourned at 3:47 P.M.

The next meeting is tentatively scheduled for June 14, 2022, at 1:30 P.M.

***CHAIRMAN FOR THE BOARD***

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***Paul Ortenzo***