

A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE CITY OF PLANTATION POLICE OFFICERS' RETIREMENT FUND WAS CALLED TO ORDER BY CHAIRMAN BRIAN KENDALL AT 12:30 P.M. ON THURSDAY, AUGUST 19, 2021, AT THE CITY OF PLANTATION POLICE DEPARTMENT MEDIA ROOM, 1ST FLOOR.

TRUSTEES PRESENT: Brian Kendall, Chairman
Matthew Cochrane, Vice Chairman
David Brownell, Trustee
Denise Horland, Secretary (via Zoom)

OTHERS PRESENT: Stuart Kaufman, Board Attorney
Jeffrey Amrose, GRS (via Zoom)
Dave West, AndCo Consulting
Brad Hess, AndCo Consulting (via Zoom)
Liz Andrews, Plan Administrator
Jeanne Kennedy (via Zoom)
John Mastrianni, Special Consultant to the Board
Janna Hamilton, Garcia Hamilton
Jeff Detwiler, Garcia Hamilton
Keith Merrill, Centerbridge (via Zoom)
Billy Rahm, Centerbridge (via Zoom)

ABSENT: Marty Zirk, Trustee

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Public Comments: None

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Additions/Deletions to Agenda: None

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Presentation by Keith Merrill & Billy Rahm of Centerbridge

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Presentation by Garcia Hamilton & Associates (Janna Hamilton & Jeff Detwiler)

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Investment Consultant's Report – Dave West, AndCo Consulting, LLC.

Mr. West discussed retention of Centerbridge to close out the Real Estate Portfolio. He explained there's the S&P 500 Index then there's Odyssey, that's the major, mega property quasi-indexers (like JP Morgan). Their whole strategy to move off of that and into more unique, niche-oriented property types at this time in the market is further enforced by a very important piece of information. They just received the latest REIT information and core property real estate is back up to the same price level that it was pre-COVID and what they were doing then strategically was taking real estate off the table because it was so fully valued. So Real Estate is priced to perfection with a lot of uncertainty out there so he thinks the Board is totally making the right decision there.

Chairman Kendall asked how do they handle JP Morgan? Are they able to take money from them? Mr. West explained at the last meeting they recommended pulling \$2M so that's in the queue that was sent in on June 9th. They have to see how they're going to handle that queue. Mr. West thinks they can potentially put in another redemption request; however he'd like to hold off on that because they do have some money flow coming in with the city contribution on October 1st and he's also going to recommend a rebalancing so he suggested keeping that thought live but they've already initiated the first part of that and now as they get their Real Estate more underweighted that will give them a little more flexibility as far as capital to invest with these private real estate managers.

Attorney Kaufman mentioned that they also have \$895,000 coming in for State Monies. Mr. West discussed they've already initiated rebalancing a year and a half ago and they've initiated another rebalancing for another \$2M redemption so that gets them to around 7 to 8% of total plan assets vs. their long-term target of 10%. They can certainly put in another redemption request but he thinks with the allocation to these very diversified, niche-oriented managers, he thinks they're getting the diversification that they need but they should absolutely keep the potential idea of pulling additional money on the margin from either J. P. Morgan or Principal. They've initiated that, they just haven't received the funds.

Chairman Kendall asked Mr. West with TerraCap or Centerbridge or even Affiliated, would the idea be that once they take profit or they've closed their fund, would we then enter into their next fund or how would that work. Mr. West explained that would be a completely separate set of logistics. Once capital raised for the fund is done it will be capped off and they'll run it; then we'll receive distributions back until we're net zero invested position and during that time, they will likely bring another fund (\$2.2 or whatever) and they can certainly review if they're happy with these results from all three of the managers.

Chairman Kendall asked if that's what's happened historically with other plans. Mr. West explained they'll be setting up what they call a private equity pacing model and the whole idea is to address exactly what Chairman Kendall is talking about, while they're getting capital drawn and then they'll also be getting capital returned to them. Mr. West explained they're going to set up a program to monitor that and they're either going to say we need to look at another manager or say Centerbridge has got Fund 3 coming out let's consider that because we're happy with what they've done. At the end of the day the objective is to make sure that we're maintaining that 3% allocation to that private equity space since that's what they initially targeted.

Trustee Brownell asked what their total allocation percentage is. Mr. West advised it was 3% of the total plan assets which would bring their Real Estate up a little bit overweight to the policy target at the moment. The target is 10%, that would probably take them up to about 12% of total assets. Mr. West explained they'll be monitoring that and he'll be coming to the Board and telling them that they need to reload and here are some manager candidates because they're always open to reviewing other managers.

Trustee Brownell asked if they have money with TerraCap now. Mr. West advised they do. They called \$1.4M of the \$2M pledge on June 30th. Mr. West stated they're small enough that the \$1.4M makes this plan a large enough player to participate in what he would define as the Institutional Investment market. You have to raise a lot of money if you're going to have major size pension clients, multimillion-dollar, large pension systems like this one here so arguably that would be considered a fairly small manager. TerraCap is very small and obviously Affiliated is micro. They're trying to do risk mitigation here and they have different types of managers, they're all uniquely focused and have a unique concept and approach that they're pushing. Mr. West explained that he thinks Centerbridge fills another one of those potential opportunistic spaces with the approach that they're doing. Mr. West recommended that the Board retain Centerbridge and allocate the same pledge amount that they did for the other two Real Estate managers which is \$2M and engage Attorney Kaufman to complete the agreement.

Trustee Brownell made a motion to hire Centerbridge as Real Estate Manager and fund with a \$2M allocation. Vice Chairman Cochrane seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

Mr. West summarized the performance report giving a brief overview of the plan's high performance to date. He covered the asset allocation through June 30, 2021. Mr. West reviewed the fund's performance as of June 30th.

The total fund was at 6.63% for the quarter, 24.25% FYTD, target policy benchmark is 20.17% so they added 4% of total value on over \$200M. The one-year return is 30.17% vs. 27%. The 3-year number at 13.28% and the 5-year number at 12.78% ahead of the benchmark. The public fund peer grouping the fund is in the top 6 percentile for FYTD.

Mr. West went over a couple of high points of the report. The two largest contributors were DRZ Large Cap Value at 52.44% FYTD vs. 36.07% and 56.37% year to year; and DRZ Small Cap Value up 72.37% for year to year. Polen did a good job keeping up with the growth benchmark which did well but nowhere near as well as value for this time period. They were at 27.29% FYTD and year over year up 40.21%. American Europacific was up 27.76% FYTD, 40.10% for 1-year. WCM was up 29.29% FYTD and one year at 40.54%.

Garcia Hamilton had a very challenging environment. Fortunately, that allocation is offset with Pimco Diversified Income Fund, they added 4.69%. The Alternatives Global Infrastructure Fund performed very well FYTD they added 13.3%. There was a nice recovery in Real Estate. The Strategic Property Fund was up 6.87%. Principal continues to provide strong returns at 8.66% FYTD. Crescent Direct Lending Private Equity manager annualized at 7.27% with a 4.19% return for the quarter.

Mr. West discussed his recommendations for a two-part strategic rebalancing.

Lastly, Mr. West presented his recommended amendments to the Investment Policy Statement.

Vice Chairman Cochrane made a motion to take \$11M from Equities as follows: \$3.5M from DRZ LCV, \$4.5M from DRZ SCV, \$2M from WCM & \$1M from the EuroPacific Growth Fund and invest \$9M in TIPS (Treasury Inflation Protected Securities and \$2M for operating reserves in the R&D account. Trustee Brownell seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

Vice Chairman Cochrane made a motion to invest \$6.7M (Entire City Contribution net of R&D requirements) into Vanguard Institutional S&P 500 Fund). Trustee Brownell seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

Vice Chairman Cochrane made a motion to accept the IPS (Investment Policy Statement) with an amendment to increase the max range of the Value-Added Real Estate Asset Class from 5% to 7%. Secretary Horland seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Presentation of balance sheets prepared by Jeanne Kennedy for the months ending April, May, June & July, 2021.

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Approval of the May 6, 2021 Minutes.

Vice Chairman Cochrane made a motion to approve the May 6, 2021 Minutes. Trustee Brownell seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Review and ratification by the Board of Trustees of Warrants #263 through #269 with invoices submitted for services rendered by the various providers of the fund.

Secretary Horland made a motion to approve the ratification of Warrant #263 through #269 with invoices submitted for services rendered by the various providers of the fund. Vice Chairman Cochrane seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Discussion and possible approval of Administrative Expense Budget for FY 2021-2022.

Secretary Horland made a motion to approve the Administrative Budget for FY 2021-2022. Vice Chairman Cochrane seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Review and approval by the Board of Trustees of the requests from the following officers to enter the DROP:

- a) Officer Ernesto Gonzalez, effective July 1, 2021
- b) Officer Jason Grace, effective June 1, 2021

Vice Chairman Cochrane made a motion to approve the DROP Entry of Officer Ernesto Gonzalez, effective July 1, 2021 and Officer Jason Grace, effective June 1, 2021. Trustee Brownell seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Review and approval by the Board of Trustees of the requests from the following officers to exit the DROP:

- a) Deputy Chief Darren J. Brodsky, effective May 15, 2021
- b) Officer Lori LeGette, effective June 26, 2021
- c) Officer Richard W. L. Walcott, effective May 31, 2021

Vice Chairman Cochrane made a motion to approve the DROP Exits of Deputy Chief Darren J. Brodsky, effective May 15, 2021; Officer Lori LeGette, effective June 26, 2021 and Officer Richard W. L. Walcott, effective May 31, 2021. Secretary Horland seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Review by the Board of Trustees, as required by the Code of Ordinances; Section 18-65(5)(g), of the actuary's determination of applicable offsets, which shall be read into the Board's official records for the following officers receiving disability benefits:

- a. Josephine Mendez-Miller, Non-Service-Connected Disability, effective 5/1/2015
- b. Gary Schreiber, Non-Service-Connected Disability, effective 10/1/2010
- c. Christopher Stilwell, Service-Connected Disability, effective 3/1/2013
- d. Biing Yuan, Non-Service-Connected Disability, effective 9/1/2013

Mr. Jeff Amrose advised the Board that there was only one change for Biing Yuan. It was a \$7 monthly increase in the benefit. All the other members had no change in their benefits.

Vice Chairman Cochrane made a motion to approve the actuary's determination of applicable offsets to Biing Yuan's pension. Trustee Brownell seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

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Discussion and possible approval of proposed Statement of Policy Regarding Contractual Provisions for Investment Managers (Attorney Stuart Kaufman)

Attorney Kaufman explained this Proposed Statement of Policy Regarding Contractual Provisions for Investment Managers is something that they've circulated to all of their clients and it's basically a tool that Dave can use when he's doing an investment manager search as part of the RFP process, he can send them this statement of policy of what we're looking for in an investment manager contract, first and foremost that they agree that they will be a fiduciary to the pension fund, that Florida Law will be applicable, that jurisdiction and venue for any disputes will be in Broward County, that they would go to any proxies that we want them to, that they'll abide by all the provisions of Florida law such as the public records act and that they will notify the Board of any investigations going on into the company by the Department of Justice or the Department of Labor or the SEC. This is a model of what they look for in an Investment Manger contract with regards to the Board's existing contracts it's something that they pretty much include in every manager contract across the board so it's not something that we haven't been doing it's just getting out in front of things so Dave could give it to the Investment Manager saying if you're not going to be able to comply with all of these provisions you might be booted out of the whole process.

Trustee Brownell made a motion to approve the proposed Statement of Policy Regarding Contractual Provisions for Investment Managers. Vice Chairman Cochrane seconded the motion and it passed with a 4-0-1 vote with Trustee Zirk absent.

Any other items presented for discussion.

Mr. Amrose advised the Board that they are looking to have the Benefit Estimator for the Police Officers ready by next month and they will work with Liz to get that up and running and get letters out to the members so they'll be able to log onto the system and start using the estimator.

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Schools and Conferences:

- a) NCPERS 2021 Fall Conference , September 26-28, Scottsdale, AZ
- b) FPPTA Fall Trustee School, October 3-6, Ponte Vedra Beach, FL
- c) TerraCap Management 2021 Annual Meeting, October 20-22, Naples, FL

Plantation Police Officers' Retirement Fund
August 19, 2021 Minutes

d) 50th Annual Police Officers' & Firefighters' Pension Conference,
November 3-5, Orlando, FL

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Schedule the next regular meeting of the Board of Trustees on Thursday,
October 12, 2021 at 12:30 p.m.

The next regular meeting of the Board of Trustees was scheduled for Thursday,
November 18, 2021 at 12:30 p.m.

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There being no further business, the meeting adjourned at 3:17 p.m.

Denise Horland, Secretary