

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, NOVEMBER 18, 2021, AT THE CITY OF PLANTATION POLICE DEPARTMENT MEDIA ROOM, 1ST FLOOR.

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

OTHERS PRESENT: Stuart Kaufman, Board Attorney
Jeffrey Amrose, GRS (via Zoom)
Dave West, AndCo Consulting
Liz Andrews, Plan Administrator
Jeanne Kennedy (via Zoom)
John Mastrianni, Special Consultant to the Board
Bryan Schneider, EnTrust Global
Jeff Marano, EnTrust Global
Matthew Lux, EnTrust Global

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Public Comments: None

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Additions/Deletions to Agenda: Addendum of Item 17 – AndCo's Fee Proposal

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Educational Presentation by Bryan Schneider of EnTrust Global Group

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

Mr. West advised that the fund is well positioned right now and there are no changes that he recommends for rebalancing at this time. He proposed for the next meeting that he'd like to see them move a small piece of the Equity allocation into Private Equity. They went into Private Equity Real Estate, they added three Private Equity Real Estate managers that are going to constitute roughly 3% of the portfolio.

Mr. West suggested that they start implementing a Private Equity program, a more simplistic one, that equates to 2% to 3% of the Equity allocation that they have now and he'd like to suggest that at the next meeting that they call in their education primer to come to the meeting to talk about all the different aspects of Private Equity and then at that time also bring a short list of managers that they think would be appropriate which is the same thing they did for the Real Estate and they can even have one of the managers come in and make a presentation. The Board was agreeable to Mr. West's recommendation.

Vice Chairman Cochrane agreed but he asked Mr. West why they would take from Equity instead of Real Estate? Mr. West explained they have Private Equity Real Estate under the Real Estate category. Vice Chairman Cochrane asked Mr. West if he is saying have a Private Equity category. Mr. West stated under the Equity category, let's have a Private Equity category. They will still be heavy in Equity just not more in Equity. Mr. West explained this fund is Cash Flow user so they have to be very careful if they're going to lock up Investments, they need to be careful on how they are allocating their dollars so they can get the most returns for anything that gets locked up.

Trustee Zirk expressed some concerns regarding the locking period. He stated some of these private equities lock you in for 5 years, 7 years, they have to be cautious about getting locked in. He asked Mr. West what his thoughts are on that. Mr. West agreed 100% with Trustee Zirk, they need to be very careful about the total amount of money in the plan that's being locked up. He explained when they go through the Private Equity offerings he will be bringing back offerings that he considers to have reasonable lock in periods but they will be lock up periods of 7 maybe 10 years. He explained there are solutions and ways around the lock up terms and he will bring that up and address those concerns exactly.

Dave West gave an overview of the Schedule of Investable Assets for the total fund. He reported that in April of 2013 Investable Assets had a beginning market value of \$106,421,390. For the period from April 2013 to September 30, 2021, the Net Cash Flow totaled -\$15,655,514, there was a gain of \$130,788,705 for an Ending Market Value of \$221,554,581.

Mr. West reviewed the Comparative Performance Trailing Returns. The total fund FYTD was at 25.02% in the top 4 percentile, the 3 YR return was 12.23%, the return since inception was 10.27%. There was a nice contribution coming from DRZ, Large Cap Value at 50% vs. 35%. DRZ Small Cap was the highest earner for the portfolio up 65.6% ahead of the benchmark. The Mid Cap Index which they did have quite a bit of during the year, was up 43.6%. Polen did a great job on the Growth side. Growth stocks took a second row seat but still a huge 30.8%.

The International Equity managers also made a very nice contribution. The Europacific Fund was at 25.76% vs. 23% and WCM was at 29.48% vs. 23.92% so really nice contribution from Fixed Income. Real Estate recovered to pre-Covid levels. The JPM returns were 14% and from Principal 14.33% which is a really nice contribution coming from there. IFM Global Infrastructure was up 18.66% and Pimco was up 4.82% for the year up more than twice their benchmark of 2.72%. The only manager struggling in here, arguably operating in the most challenging area here was Garcia Hamilton. For the year their benchmark was down 1.42%. Crescent Direct Lending was at 3.48%, the annualized rate of return was 7.40%.

Special Consultant Mastrianni stated from a Board policy point, one of the things that they've done in the past with the DROP account, the Board adopted a policy to use gross numbers for returns. Couldn't they just adopt a Board policy that says the reported book numbers will be the numbers used for reporting the DROP returns. Attorney Kaufman stated they can do that. Mr. Amrose agreed. The Board directed Attorney Kaufman to draft a policy to go into the DROP rules on the recording of returns for Private Real Estate.

Mr. West reviewed the Financial Reconciliation. The Total fund opened up for the fiscal year on 10/1/20 with \$180,153,717, there was a lot of rebalancing during the year and their net transfers. Contributions totaled \$8,685,296, Distributions going out for payments totaled \$12,609,396 showing this is a cash flow user. Management Fees totaled \$920,154, Other Expenses totaled \$326,183, Income Earned totaled \$4,123,250, the Appreciation component was \$42,448,052 so just over \$46M went into the bucket for the fiscal year for a total ending market value of \$221,554,581. They are at \$235M today.

Mr. West brought up the AndCo proposed fee increase. He explained that AndCo charges a fixed dollar fee, all of the other vendors just got a huge raise this year because they charge basis point fees but AndCo thinks it's more appropriate to charge a hard dollar fee. They typically have a 3 year guarantee. He proposed their original fee which was locked-in in March of 2017, was \$76,500. They did a basis point calculation which at that time was 5.3 basis points. Mr. West proposed that they go to \$86,500 and on the September 21st evaluation that actually drops the basis points. He put the effective proposal date as October 1, 2021 and the fee will be guaranteed for another 3 years.

Trustee Zirk made a motion to approve AndCo's fee increase effective October 1, 2021. Trustee Brownell seconded the motion and it passed unanimously.

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Truist Bank Notifications (*for informational purposes*):

- a) Truist 2020 Addendum to Float Disclosure
- b) Truist Request to sign Hold Harmless Agreements
- c) Truist Notification for Reporting of 1099-Misc/1099-NEC Vendor Payments

Attorney Kaufman explained that 5a is just a required disclosure advising us where Truist parks the fund's cash overnight. 5b has to do with credit cards, once SunTrust merged with Truist, Truist wants all the funds, including the city to sign a Hold Harmless agreement, and as a public agency we do not sign any indemnification or Hold Harmless agreements so we will not be able to do any credit or debit card transactions through Truist unless they agree not to.

Chairman Kendall stated this might bring up a broader conversation that he wanted to have regarding putting out an RFP for a custodian. There have been issues in the past with the custodian, administrative issues, issues with reporting money and having money available and things of that nature. Chairman Kendall recalled that they put out an RFP when they were with SunTrust. He suggested that maybe Dave, Jeff or Stu could make a recommendation. Attorney Kaufman stated Salem Trust has the most clients in Florida. Attorney Kaufman explained you're not required to put out an RFP but in the normal course of business they should get a couple of bids through the RFP process and he can have the responses prior to the next meeting and if they can just establish a committee of Chairman Kendall, Liz and himself to narrow it down to 2 or 3 and have them interviewed at the meeting. Attorney Kaufman stated he would prepare the RFP. Mr. West stated part of that is that the custodian is going to want to know how the investment portfolio is structured so he will collect all that relevant data and send it to Attorney Kaufman. Attorney Kaufman stated now Truist is not going to do any of the 1099 distributions for the plan's vendor payments either so he doesn't know if Liz would do it or Jeanne or the custodian. Attorney Kaufman stated Truist is preparing them for this year but it's the last time.

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Trustee Brownell left the Zoom meeting at this time.

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Presentation of balance sheets prepared by Jeanne Kennedy for the months ending August & September, 2021.

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Approval of the August 19, 2021 Minutes.

Vice Chairman Cochrane made a motion to approve the August 19, 2021 Minutes. Secretary Horland seconded the motion and it passed with a 4-0-1 vote with Zirk, Horland, Kendall & Cochrane voting Yes, Trustee Brownell absent.

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Review and ratification by the Board of Trustees of Warrants #270 through #278 with invoices submitted for services rendered by the various providers of the fund.

Secretary Horland made a motion to ratify payment of Warrants #270 through #278 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 Zirk, Horland, Kendall & Cochrane voting "Yes", Trustee Zirk absent.

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Discussion by the Board of Trustees of the new ordinance and the proposed changes to the Police Officers' Retirement Plan that were negotiated between the City of Plantation and the Fraternal Order of Police Lodge 42.

Jeff Amrose advised the Board that they did a study of proposed changes in August and now they are just waiting for an update. Attorney Kaufman stated the ordinance that is in the agenda packet mimics what is in the Collective Bargaining Agreement and he just had a question about the Impact Statement that Jeff had prepared. It was agreed that the Ordinance would stay as is because it matches the CBA and Jeff would make a minor adjustment to the Impact Statement to reflect that change.

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Follow up discussion of the GRS On-Line Benefit Calculator (Jeff Amrose).

Jeff Amrose discussed the status of the GRS On-Line Benefit Calculator, he stated it's almost ready there are just a few minor things that need to be addressed and he thinks that by the beginning of December they will be able to launch the program. Mr. Amrose displayed the software on the screen but said it will need to be updated once the new CBA is passed. Chairman Kendall recommended to wait till all the changes are passed and just wait until the beginning of the year to launch it.

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Ratification to extend the Keefe McCullough Audit Contract for 2021 in the amount of \$14,000.00.

Trustee Zirk made a motion to ratify the extension of the Keefe McCullough Audit Contract for 2021 in the amount of \$14,000.00. Secretary Horland seconded the motion and it passed with a 4-0-1 vote with Zirk, Horland, Kendall & Cochran voting "Yes, Brownell absent.

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Ratification of Retro Annual Supplemental Benefit payments to the beneficiaries of the following deceased retirees:

- a) Rudolph Brown (deceased 5-21-21) in the amount of \$668.75
- b) Deborah Caridad (deceased 11/12/15) in the amount of \$2,420.00
- c) Vance Currin (deceased 11/18/14) in the amount of \$2,860.00
- d) Francis McMenamin (deceased 4-11-21) in the amount of \$760.00
- e) Donald Refenes (deceased 2-12-21) in the amount of \$300.00

Secretary Horland made a motion to ratify payment of the Retro Annual Supplemental Benefit payments to the beneficiaries of deceased retirees: a) Rudolph Brown, b) Deborah Caridad, c) Vance Currin, d) Francis McMenamin & e) Donald Refenes. Chairman Cochran seconded the motion and it passed with a 4-0-1 vote with Zirk, Horland, Kendall & Cochran voting "Yes", Trustee Brownell absent.

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Any other items presented for discussion.

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Schools and Conferences:

- a) FPPTA Winter Trustee School, January 23-26, 2022, Lake Buena Vista, FL

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Approval of Tentative Pension Board Meeting Dates for FY 2021-2022 as follows:

- January 27, 2022 (Special Meeting for F.S.)
- February 17, 2022
- May 19, 2022
- August 18, 2022

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Schedule a Special Meeting of the Board of Trustees on Thursday, January 27, 2022 at 12:30 p.m. (*Presentation of Financial Statement*) and the next regular meeting on Thursday, February 17, 2022 at 12:30 p.m.

The next special meeting of the Board of Trustees was scheduled for Thursday, January 27, 2022 at 12:30 p.m. (Presentation of Financial Statement) and the next regular meeting on Thursday, February 17, 2022 at 12:30 p.m.

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There being no further business, the meeting adjourned at 2:45 p.m.

Denise Horland, Secretary