

**CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

926TH BOARD OF TRUSTEES MEETING

September 17, 2020

***COPIES OF MINUTES ARE BEING
PROVIDED WITHOUT ATTACHMENTS.***

***ALL ATTACHMENTS ARE AVAILABLE
FOR REVIEW AT THE FIRE & POLICE
PENSION OFFICE.***

**926TH MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

September 17, 2020

CALL TO ORDER

Meeting was called to order at 8:35 AM by Chairman Frazier.

Board members present via video conference, as permitted by Governor DeSantis' Executive Order 20-69, were as follows:

FIRE DEPARTMENT

David J. Frazier, Jr.
Paul D. Johnson
Dwight M. Nicholas

POLICE DEPARTMENT

Eric M. Garcia
James D. Nolan
Elise Spina Taylor

ADMINISTRATION

Hernan D. Cardeno
Eric T. Carpenter
Tameka Otto Stewart

Present were:

Stuart A. Kaufman, Esq.	- Attorney, Klausner, Kaufman, Jensen & Levinson (KKJL)
Donna Brito	- Executive Director
Myriame Jean-Baptiste	- Pension Administrator
Clara La Rosa	- Office Manager
Antoinette Roman	- Accounting Manager

Also present were:

Ninoska Calzadilla	- Investment Adviser Representative, Nationwide Retirement Solutions
Peter Hapgood	- Director of Institutional Services, Intercontinental Real Estate Corporation
Shelly Jones	- Consultant and Actuary, Gabriel Roeder Smith & Company
John McCann	- Senior Consultant, AndCo Consulting
Peter Palandjian	- President and CEO, Intercontinental Real Estate Corporation

MINUTES

Regular Meeting of the Board of Trustees – August 20, 2020

Minutes from the regular board meeting were distributed as part of the agenda packet. Trustee Nolan made a motion to approve the minutes. The motion was seconded by Trustee Cardeno and unanimously carried.

DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY

Police Lieutenant Javier Matias retired under the DROP program effective September 1, 2020, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Lieutenant Matias had 17 years of pension service time and met the eligibility for retirement by Tier 1 and attainment of age 50. In addition, Lieutenant Matias purchased the 6% multiplier.

Secretary Garcia made a motion to approve the pension service retirement for Lieutenant Matias and grant entry into the Deferred Retirement Option Plan (DROP). The motion was seconded by Trustee Nolan and unanimously carried. (Attachment #1-1 Schedule A)

COMMENCEMENT OF PENSION

Police Lieutenant Jed A. Burger retired under the DROP program, resigned from City employment effective August 31, 2020, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Ivette L. Dominguez retired under the DROP program, resigned from City employment effective August 31, 2020, and is eligible to commence her monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Stanley S. Wojcik retired under the DROP program, resigned from City employment effective August 31, 2020, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Nolan made a motion to approve the commencement of pension for Lieutenant Burger, Officer Dominguez and Officer Wojcik. The motion was seconded by Secretary Garcia and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

Retired Fire Division Chief Charles K. Chapman, Jr., passed away on August 18, 2020. His pension will be discontinued as there are no beneficiaries under the Plan.

Trustee Johnson made a motion to stop the monthly pension for Charles K. Chapman, Jr. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #1-1 Schedule A)

Beneficiary Anne Von Eiff, widow of retired Police Major Konrad Von Eiff, passed away on August 6, 2020. Her pension will be discontinued as there are no other beneficiaries under the Plan.

Trustee Nolan made a motion to stop the monthly pension for Anne Von Eiff. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR SEPTEMBER 2020

The Financial Warrants were emailed to the Board for their review prior to the video conference.

Trustee Cardeno made a motion to accept the Financial Warrants as presented. The motion was seconded by Trustee Spina Taylor and unanimously carried. (Attachment #1)

BUYBACK COVERING THE PERIOD OF AUGUST 21, 2020, THROUGH SEPTEMBER 17, 2020

The following buyback schedule included in the agenda packet was processed from August 21, 2020, through September 17, 2020.

- *Buyback of probationary service time with interest at 3% - Police Department*

Trustee Nolan made a motion to approve the buyback shown on the schedule. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #2)

COUNSEL

Memoranda from Klausner, Kaufman, Jensen & Levinson dated August 25, 2020:

1. Safeguarding America's First Responders Act of 2020 – Presumptive Benefit for COVID-19 Becomes Law

Attorney Kaufman explained that since the onset of the coronavirus disease (COVID-19), public safety officers are contracting COVID-19 at a higher rate than the general public due to the nature of the essential services they provide to our communities. Effective August 14, 2020, "Safeguarding America's First Responders Act of 2020" (the "Act") was signed into federal law. Under the Act, a qualifying public safety officer who dies or becomes permanently and totally disabled due to COVID-19 is entitled to a presumptive benefit under the federal Public Safety Officer Benefits (PSOB) program in addition to their regular pension benefits. (Attachment #3)

2. Issues Relating to Disability Applications from Firefighters Utilizing the Cancer Presumption in Florida Statute §112.1816

Effective July 1, 2019, under Florida Statute §112.1816, the Florida Legislature provides Firefighters certain benefits related to twenty-one listed cancer diagnoses and their treatment. This memo serves to clarify that the benefits under Florida Statute §112.1816 are an alternative to workers' compensation, and that the law may be applied retroactively if the preceding 5-year criteria is also met. (Attachment #4)

Joseph McCormack – Request for Beneficiary Benefits for Handicapped Child

Mr. McCormack requested to postpone this discussion to a future board meeting.

Investment Management Agreement for Grosvenor Institutional Partners, L.P.

Attorney Kaufman advised that the Investment Management Agreement for Grosvenor Institutional Partners, L.P., has been reviewed and legally everything is in order for the Board's approval.

Secretary Garcia made a motion to defer this item to the next board meeting as more time was needed to review the agreement. The motion was seconded by Trustee Carpenter and unanimously carried.

NATIONWIDE RETIREMENT SOLUTIONS

NINOSKA CALZADILLA, CRC – INVESTMENT ADVISER REPRESENTATIVE

Email dated September 2, 2020, from Patty Avello regarding City of Miami Beach Fire and Police Plan Fixed Account

Previously, Nationwide advised that they were no longer capable of sustaining the 3.5% crediting rate offered on the Nationwide Fixed Fund. Ninoska Calzadilla advised that Nationwide has provided a special approval granting the Miami Beach F&P 401(a) DROP Plan additional commitments for existing assets and new contributions as follows:

- 3.5% crediting rate through December 2020, as previously negotiated.
- Beginning in calendar year 2021, the crediting rate will be subject to a reduction of no more than 12 basis points per quarter, based on market conditions and investment performance.
- The Guaranteed Minimum Interest Rate (GMIR) will not be reduced below 1.00%.

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The Director and Ms. Calzadilla will coordinate a communication to the DROP members regarding these changes to the Nationwide Fixed Fund. (Attachment #5)

**GABRIEL ROEDER SMITH & COMPANY
SHELLY JONES, ASA, EA, FCA, MAAA – CONSULTANT AND ACTUARY**

Actuarial Experience Study – Discussion and possible action

Shelly Jones reviewed in detail the Plan's experience over the past five years covering October 1, 2014, to September 30, 2019. She noted that the report does not reflect the recent and still developing impact of COVID-19.

Based on the Experience Study results, Ms. Jones made the following recommended changes in actuarial assumptions:

- Update the future salary increase assumption to better reflect higher than expected observed salary increases.*
- Reduce the overall inflation assumption.*
- Update the assumed rate of future retirement to reflect higher than expected observed retirement experience.*
- Update the assumed DROP assumption to reflect higher than anticipated future DROP experience and adjustments to the DROP exit percentage.*
- Update the assumed rates of future withdrawal to reflect lower than expected observed withdrawal experience.*

The combined effect of all recommended assumption changes will have an increase in the contribution requirement of 3.0% of projected annual pensionable payroll without DROP and 2.5% of projected annual pensionable payroll with DROP. The details of the actual experience and recommended changes in actuarial assumptions are included in the Experience Study report. (Attachment #6)

There were various discussions. Trustee Johnson stated that this was a lot of information to process and the cost would have a substantial impact to the City's required contribution. He asked if the Board could delay making any decisions until they meet in person again. Ms. Jones responded that a decision could be delayed to a future board meeting.

The Director suggested that since no decision was required today, would Ms. Jones be able to re-evaluate the cost to the recommended assumption changes once the Fiscal Year End September 30, 2020, actual experience became available. Ms. Jones agreed.

The Board took no action.

**INTERCONTINENTAL REAL ESTATE CORPORATION
PETER HAPGOOD – DIRECTOR OF INSTITUTIONAL SERVICES
PETER PLANDJIAN – PRESIDENT & CEO**

Portfolio Review

Peter Hapgood and Peter Plandjian discussed in detail the Intercontinental Real Estate Corporation US REIF Client Review for the Fire and Police Pension Real Estate portfolio as of June 30, 2020.

DIRECTOR'S REPORT

Proposed Pension Ordinance First Reading – City Commission Meeting on September 16, 2020

Director Brito advised that the first reading of the proposed pension ordinance was approved by the City Commission on September 16, 2020, amending the pension system to implement the IAFF and FOP collective bargaining agreements for the period of October 1, 2018, through September 30, 2021. The Director will submit the Impact Statement to the State prior to the second reading scheduled for October 14, 2020. (Attachment #7)

Director Brito shared the positive outcome that the pension office was able to make contact with the retiree whose pension payments were being returned to the pension office.

For the Board's information, the following items were distributed as either part of the agenda or meeting packet:

- A. Administrative Budget

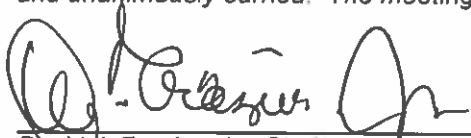
OTHER BUSINESS

John McCann announced that RhumbLine Advisers has revised their Investment Management Fees agreement effective October 1, 2020, as follows: (Attachment #8)


- The flat fee of 4 basis points on the Domestic Equity Index Fund Strategies (combined assets) of Mid Cap and Large Cap Value, has been reduced to the first \$50 million at 4 basis points and any excess at 3 basis points.
- The flat fee of 5 basis points on the Global Equity Index Fund Strategies, International fund, remains the same.

ADJOURNMENT

Trustee Cardeno made a motion to adjourn the meeting. The motion was seconded by Secretary Garcia and unanimously carried. The meeting was adjourned at 10:32 AM.



David J. Frazier, Jr., Chairman



Eric M. Garcia, Secretary