

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

927TH BOARD OF TRUSTEES MEETING

November 19, 2020

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

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

**927TH MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

November 19, 2020

CALL TO ORDER

Meeting was called to order at 8:43 AM by Chairman Frazier.

Board members present via a quorum physically present and video conference were as follows:

FIRE DEPARTMENT

David J. Frazier, Jr.
Dwight M. Nicholas

POLICE DEPARTMENT

Eric M. Garcia
Elise Spina Taylor

ADMINISTRATION

Hernan D. Cardeno
Eric T. Carpenter
Tameka Otto Stewart

Absent were:

Paul D. Johnson - Fire Department
James D. Nolan - Police Department

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:

Michael Bray - Vice President, Inverness Counsel, LLC
Oliver Hanna - Fire Lieutenant, City of Miami Beach
Robert K. Maddock - Senior Vice President, Inverness Counsel, LLC
John McCann - Senior Consultant, AndCo Consulting
Matthew McCue - Co-Founder & Editor of FIN News
Kevin J. Millan - President, Fraternal Order of Police City of Miami Beach
Adrian Sancho - Vice President, Equity Analyst, Inverness Counsel, LLC

MINUTES

Regular Meeting of the Board of Trustees – September 17, 2020

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

DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY

Police Lieutenant Steven P. Cosner retired under the DROP program effective October 1, 2020, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Lieutenant Cosner had 24 years and 7 months of pension service time and met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47.

Police Sergeant Orlando Sosa retired under the DROP program effective October 1, 2020, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Sergeant Sosa had 21 years of pension service time and met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47. In addition, Sergeant Sosa purchased the 6% multiplier.

Fire Captain Darryl L. Bell retired under the DROP program effective November 1, 2020, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Captain Bell had 21 years and 3 months of pension service time and met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47. In addition, Captain Bell purchased the 6% multiplier and 2 years of pre-employment public safety service time.

Trustee Nicholas made a motion to approve the pension service retirement for Lieutenant Cosner, Sergeant Sosa, and Captain Bell and grant entry into the Deferred Retirement Option Plan (DROP). The motion was seconded by Trustee Spina Taylor and unanimously carried. (Attachment #1-1 Schedule A)

COMMENCEMENT OF PENSION

Fire Lieutenant Russell F. Chisholm retired under the DROP program, resigned from City employment effective September 30, 2020, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Fulgencio Medina retired under the DROP program, resigned from City employment effective September 30, 2020, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Cardeno made a motion to approve the commencement of pension for Lieutenant Chisholm and Officer Medina. The motion was seconded by Secretary Garcia and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

Retired Police Officer Steve Sulich passed away on September 22, 2020. His pension has been discontinued as of October 2020 as there are no beneficiaries under the Plan.

Retired Police Officer Ernest Febbraio passed away on October 9, 2020. His pension will be discontinued as there are no beneficiaries under the Plan.

Beneficiary Helen C. Godfrey, widow of retired Police Sergeant William W. Godfrey, passed away on September 6, 2020. Her pension has been discontinued as of October 2020 as there are no other beneficiaries under the Plan.

Beneficiary Jean K. Horback, widow of retired Fire Captain Martin A. Horback, passed away on September 10, 2020. Her pension has been discontinued as of October 2020 as there are no other beneficiaries under the Plan.

Beneficiary Nancy L. Crane, widow of retired Police Sergeant Alan L. Crane, passed away on September 19, 2020. Her pension has been discontinued as of October 2020 as there are no other beneficiaries under the Plan.

Beneficiary Phyllis L. Richards, widow of retired Police Officer David Richards, passed away on October 16, 2020. Her pension will be discontinued as there are no other beneficiaries under the Plan.

Trustee Otto Stewart made a motion to stop the monthly pension for Steve Sulich, Ernest Febbraio, Helen C. Godfrey, Jean K. Horback, Nancy L. Crane and Phyllis L. Richards. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #1-1 Schedule A)

PENSION BENEFITS TERMINATED

Beneficiary Mary A. Smith-Ridgway, widow of retired Fire Division Chief Alvin P. Ridgway, reached the end of her benefit period based on Chief Ridgway's normal life expectancy at time of death. Ms. Smith-Ridgway's monthly benefit will be terminated effective November 2, 2020.

Trustee Spina Taylor made a motion to stop the monthly pension for Ms. Smith-Ridgway. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR OCTOBER 2020

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

Director Brito advised that since the October 2020 board meeting had to be cancelled, Financial Warrants #5013-5020 have to be ratified from October 2020.

Secretary Garcia made a motion to approve the ratification of Warrants #5013-5020. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #1, October 15, 2020)

FINANCIAL REPORT FOR NOVEMBER 2020

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

Trustee Carpenter made a motion to accept the Financial Warrants #5021-5027 as presented. The motion was seconded by Trustee Spina Taylor and unanimously carried. (Attachment #1, November 19, 2020)

BUYBACKS COVERING THE PERIOD OF SEPTEMBER 18, 2020, THROUGH NOVEMBER 19, 2020

The following buyback schedules included in the agenda packet were processed from September 18, 2020, through November 19, 2020.

- Buyback of probationary service time with interest at 3% - Fire Department
- Buybacks of probationary service time with interest at 3% - Police Department
- Buybacks of pre-employment military time - Police Department

Trustee Nicholas made a motion to approve the buybacks shown on the schedules. The motion was seconded by Trustee Spina Taylor and unanimously carried. (Attachment #2)

MEMBERS TRANSFERRED FROM MBERP TO FIRE AND POLICE PENSION

Director Brito advised that there were eleven members whose creditable service hours have been transferred from the MBERP to the Fire and Police Pension Plan.

They are:

- Police Officer Rodolfo Albaladejo
- Police Officer Samaralee AVECILLAS
- Police Officer Latasha Chatfield
- Firefighter Diego Escudero
- Police Officer Lavaniel Hicks
- Firefighter Pedro Maturell
- Police Officer Benjamin Nunez
- Police Officer Eric Perez
- Police Officer Chaka Ransom
- Police Officer Elizabeth Rodriguez
- Police Officer Melissa Rosa

During this process, the following five (5) members had to be moved from Tier 4 to either Tier 1 or Tier 2. As a result, each member's contribution to the Plan changed from 10.5% to 10% of his or her salary. This will require a retroactive refund of employee contributions to be processed from each member's Fire and Police Pension hire date through the last pay-period ending November 2020. These members are:

- Police Officer Samaralee AVECILLAS
- Police Officer Latasha Chatfield
- Firefighter Pedro Maturell
- Police Officer Eric Perez
- Police Officer Elizabeth Rodriguez

Trustee Nicholas made a motion to approve the retroactive refund of 0.5% of member's contribution from the Plan as of the member's hire date through the last pay-period ending November 2020 for Officer AVECILLAS, Officer Chatfield, Firefighter Maturell, Officer Perez and Officer Rodriguez. The motion was seconded by Trustee Spina Taylor and unanimously carried. (Attachment #3)

COUNSEL

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

Attorney Kaufman advised that the legal review of the Grosvenor Institutional Partners, L.P. Investment Management Agreement has been finalized and recommended ratification of the documents.

Trustee Spina Taylor made a motion to ratify the Grosvenor Institutional Partners, L.P. Investment Management Agreement with an effective date of October 1, 2020. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #4)

Investment Management Agreement for JPMCB Special Situation Property Fund

Attorney Kaufman advised that the legal review of the JPMCB Special Situation Property Fund Investment Management Agreement has been finalized and recommended ratification of the documents.

Trustee Cardeno made a motion to ratify the JPMCB Special Situation Property Fund Investment Management Agreement with an effective date of October 1, 2020. The motion was seconded by Trustee Otto Stewart and unanimously carried. (Attachment #5)

The Trade Desk, Inc.

Trustee Carpenter made a motion to add a discussion regarding email dated November 13, 2020, from KKJL concerning The Trade Desk, Inc. (TTD). The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment # 6)

Attorney Kaufman brought to the Board's attention an investment currently managed by Logan Capital Management Inc. trading under The Trade Desk, Inc. (TTD), of which the Fund owns 1,770 shares valued at over \$1,000,000. TTD's CEO, founder and controlling shareholder, Jeff T. Green, has over 50% of the total voting control in the company and is scheduled to lose that voting control in 2021. TTD's Board of Directors voted, and may have decided contrary to the best fiduciary interest of the company, to modify the company's charter and extend Mr. Green's voting control for another 5 years.

BLB&G would like authorization from the Board to request an investigation of TTD's corporate books and records. The goal of the investigation would be to determine whether TTD fully disclosed material information to stockholders in connection with the modification of the company's charter, and if the selection of the special committee of the board which proposed modifying the corporate charter was appropriately independent from Mr. Green. After BLB&G complete their investigation, they will make a recommendation to the Board to proceed with a derivative shareholder action or whether their investigation has led to nothing.

There were various discussions and Attorney Kaufman recommended that the Board enter into a retainer agreement with BLB&G.

Secretary Garcia made a motion to accept the retainer agreement authorizing BLB&G, KKJL and Cypen & Cypen (the "Firms") to pursue a demand for certain books and records of TTD and to conduct an investigation. The Firms representation of the Board will be on a fully contingent basis and the Board will have no responsibility for legal fees and expenses. The Board has no obligation to pursue filing a lawsuit for damages or injunctive relief in the event the Firms recommend additional action. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #7)

EMAIL DATED OCTOBER 12, 2020, FROM DIRECTOR BRITO TO RETIRED FIRE CAPTAIN EDWARD GONZALEZ REGARDING NEW FLORIDA STATUTE COVERING CANCER FOR FIREFIGHTERS

Retired Fire Captain Edward Gonzalez was not present at the meeting. The item has been postponed until Mr. Gonzalez is able to attend a future meeting. (Attachment #8)

**INVERNESS COUNSEL, LLC
MICHAEL BRAY – VICE PRESIDENT
ROBERT K. MADDOCK – SENIOR VICE PRESIDENT
ADRIAN SANCHO – VICE PRESIDENT, EQUITY ANALYST**

Portfolio Review

Michael Bray, Robert Maddock and Adrian Sancho reviewed in detail the Investment Commentary of the Fire and Police large cap and fixed income portfolio as of September 30, 2020.

Mr. Maddock mentioned that Inverness Counsel, LLC has been awarded multiple PSN Top Guns distinction by Informa Financial Intelligence's PSN manager database, North America's longest running database of investment managers. The "Bull and Bear Master recognition" reflects the strength of process and people throughout market cycles, and it is especially rewarding given the volatility faced over the last few years.

ANDCO CONSULTING
JOHN MCCANN - SENIOR CONSULTANT

Investment Performance Review

John McCann provided the Investment Performance Review for the period ending September 30, 2020. In summary, the Fund's total fiscal year to date net return is 9.11% (October 1, 2019, through September 30, 2020).

Inverness Counsel

During the period beginning 01/01/00 and ending 09/30/20, the equity portion of the fund had an annualized return from inception of 7.38% compared to the S&P 500 Index of 6.11%. During the period beginning 10/01/90 and ending 09/30/20, the fixed income portion of the fund had an annualized return from inception of 6.20% compared to the ½ BCGC and ½ BCGI Index of 5.79%. As of 09/30/20, the ending value of the Inverness' equity portfolio including \$2,235,956 in cash equivalent was \$257,361,895; the ending value of Inverness' fixed income portfolio including \$2,225,000 in cash equivalent was \$223,785,141; and the ending value of Inverness' cash was \$16,165,905.

Wellington Mgmt. Company Small Cap – Period beginning 07/01/99 and ending 09/30/20

Wellington equity had an annualized return from inception of 10.97% compared to the Russell 2000 Index of 7.19%. As of 09/30/20, the ending value of the Wellington portfolio was \$84,726,764.

Logan Capital Management Large Cap Growth – Period beginning 04/01/07 and ending 09/30/20

Logan equity had an annualized return from inception of 11.07% compared to the Russell 1000 Growth Index of 12.30%. As of 09/30/20, the ending value of the Logan portfolio including \$1,037,330 in cash equivalent was \$67,087,107.

RhumbLine Advisers Large Cap Value – Period beginning 01/01/17 and ending 09/30/20

RhumbLine equity index fund had an annualized return from inception of 4.16% compared to the Russell 1000 Value Index of 4.20%. As of 09/30/20, the ending value of the RhumbLine portfolio was \$48,668,457.

RhumbLine Advisers Mid Cap – Period beginning 07/01/97 and ending 09/30/20

RhumbLine equity index fund had an annualized return from inception of 9.90% compared to the S&P MidCap 400 Index of 9.90%. As of 09/30/20, the ending value of the RhumbLine portfolio including \$136,655 in cash equivalent was \$72,128,314.

RhumbLine Advisers International Equity - Period beginning 01/01/16 and ending 09/30/20

RhumbLine international equity index fund had an annualized return from inception 4.70% compared to the MSCI EAFE Index of 5.06%. As of 09/30/20, the ending value of the RhumbLine portfolio was \$50,084,640.

JP Morgan Asset Management Real Estate - Period beginning 10/01/2007 and ending 09/30/20

JP Morgan real estate had an annualized return from inception of 5.04% compared to the NCREIF Index-Open End Diversified Core of 5.00%. As of 09/30/20, the ending value of JP Morgan portfolio was \$48,308,798.

Intercontinental Real Estate - Period beginning 04/01/2018 and ending 09/30/20

Intercontinental real estate had an annualized return from inception of 5.99% compared to the NCREIF Index-Open End Diversified Core of 4.87%. As of 09/30/20, the ending value of the Intercontinental portfolio was \$50,282,011.

Wells Capital Management International Bonds – Period beginning 10/01/11 and ending 09/30/20

Wells international bonds had an annualized return from inception of 1.31% compared to the FTSE Non-U.S. World Government Bond Index of 0.94%. As of 09/30/20, the ending value of Wells portfolio was \$54,668,061.

TOTAL FUND – Inverness / Wellington / Logan / RhumbLine / JP Morgan / Wells / Intercontinental

As of 09/30/20, the ending value of the Fund was \$973,267,093. Of the \$973,267,093, the Cash Equivalent portion of the Fund was 2.24% or \$21,800,846. The results for the 12 month period ending 09/30/20, show that the Fund's return of 9.11%, after investment expenses, outperformed the benchmark indices of 7.41%. During this 12 month period, Inverness equity significantly outperformed the S&P 500 Index, Wellington significantly outperformed the Russell 2000 Index, Logan significantly underperformed the Russell 1000 Growth Index, RhumbLine matched the S&P MidCap 400 Index, RhumbLine slightly outperformed the Russell 1000 Value Index, RhumbLine underperformed the MSCI EAFE Index, JP Morgan underperformed the NCREIF Index-Open End Diversified Core, Intercontinental outperformed the NCREIF Index-Open End Diversified Core. On the fixed income side, Wells outperformed the FTSE Non-U.S. World Government Bond Index, and Inverness outperformed the Index composed of ½ BCGC and ½ BCGI.

Discussion on rebalancing options and possible action by Board

Mr. McCann discussed in detail an updated market value schedule. As of Tuesday, November 17, 2020, the value of the Fund was \$1,071,989,512. Mr. McCann advised that all money managers are within the limits of the investment guidelines and he did not recommend any asset rebalancing at this time. (Attachment #9)

Quarterly DROP Review

Mr. McCann provided a review of the Voya and Nationwide DROP investment options for the period ending September 30, 2020. He does not recommend any changes at this time.

Secretary Garcia and Trustee Spina Taylor requested that Mr. McCann and the Director review the dual provider DROP program for the February 2021 meeting.

ORDINANCE NO. 2020-4362 ADOPTED BY THE CITY COMMISSION ON OCTOBER 14, 2020, IMPLEMENTING PENSION PROVISIONS FROM THE 2018 - 2021 IAFF AND FOP COLLECTIVE BARGAINING AGREEMENTS

A copy of Ordinance No. 2020-4362 was provided in the Agenda packet. (Attachment #10)

For the contract period of October 1, 2018, through September 30, 2021, various pension changes were negotiated. These pension changes were passed and adopted by the City Commission on October 14, 2020, by Ordinance No. 2020-4362. Some of these changes are:

- A new Tier 5 was created for members hired on or after May 8, 2019, for the Fire Department and July 31, 2019, for the Police Department. Benefits are the same as Tier 4 members with the exception that Tier 5 members will be vested upon completion of ten (10) years of creditable pension service and shall not be credited with any prior service as a member of the Miami Beach Employees' Retirement Plan.
- Pre-employment military service was updated to be allowable after 10 years of creditable pension service for Tier 5 members. For all members, the purchase must be completed within 24 months following the date the members complete 5 years of creditable pension service (10 years for Tier 5 members).
- A window to purchase an increase in benefit multiplier or pre-employment public safety service was created from July 1, 2021, to September 30, 2021.
- Normal Service Retirement Eligibility was extended to include any age at which the maximum benefit percentage of 85% is reached.

Summary Plan Description

Director Brito stated that the pension changes adopted in Ordinance No. 2020-4362 have been updated in the Summary Plan Description. It has been uploaded to the Fire and Police Pension website and a copy will be mailed to active members. (Attachment #11)

DIRECTOR'S REPORT

The Director confirmed that the City's required contribution of \$43,324,910 and the Share Plan's required combined contribution of \$120,549 for FY 2020-2021 have been received.

Update on newly hired Money Managers

Director Brito gave an update on the newly hired Money Managers as approved at the July 16, 2020, and August 6, 2020, board meetings.

- The liquidation of \$50,000,000 from Inverness' fixed income portfolio and transferring the cash to Tocqueville's fixed income portfolio was completed on October 2, 2020.
- The liquidation of \$10,000,000 from Inverness' equity portfolio and transferring the cash to Grosvenor's hedge fund portfolio was completed on October 26, 2020.
- The liquidation of \$50,000,000 from Inverness' fixed income portfolio and transferring the cash to JP Morgan's value add real estate portfolio will be completed on December 7, 2020.

2020 Affidavits

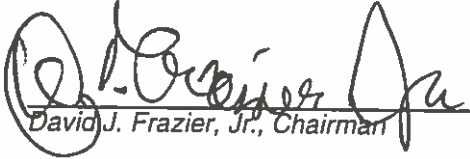
Director Brito mentioned that the 2020 affidavits have been mailed to the retirees and beneficiaries. If the executed affidavits are not received by December 31, 2020, the pension benefit for January 2021 will be held in abeyance.

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

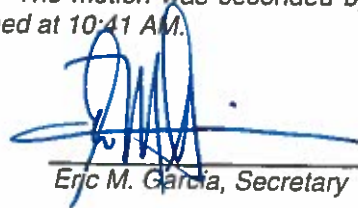
- A. 2021 Schedule of Board Meeting dates (Attachment #12)
- B. Administrative Budget

ADJOURNMENT

Trustee Cardeno made a motion to adjourn the meeting. The motion was seconded by Trustee Spina Taylor and unanimously carried. The meeting was adjourned at 10:41 AM.



David J. Frazier, Jr., Chairman



Eric M. Garcia, Secretary