

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

930TH BOARD OF TRUSTEES MEETING

February 18, 2021

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

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

**930TH MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

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CALL TO ORDER

Meeting was called to order at 8:34 AM by Chairman Frazier.

Board members present via a quorum physically present and video conference 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

Eric T. Carpenter
Tameka Otto Stewart

Absent was:

Hernan D. Cardeno - Administration

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
Peter Hapgood - Director of Institutional Services, Intercontinental Real Estate Corporation
Robert K. Maddock - Senior Vice President, Inverness Counsel, LLC
John McCann - Senior Consultant, AndCo Consulting
Peter Palandjian - President & CEO, Intercontinental Real Estate Corporation
Denitza Petrova - General Public
Adrian K. Sancho - Senior Vice President, Inverness Counsel, LLC

MINUTES

Regular Meeting of the Board of Trustees – January 21, 2021

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

DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY

Police Officer Nelson Cubides retired under the DROP program effective February 1, 2021, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Officer Cubides had 20 years and 6 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, Officer Cubides purchased 6 months of pre-employment public safety service time.

Trustee Nolan made a motion to approve the pension service retirement for Police Officer Cubides 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

Firefighter Rolando Hernandez retired under the DROP program, resigned from City employment effective January 31, 2021, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Firefighter Edwin R. Rodriguez retired under the DROP program, resigned from City employment effective January 31, 2021, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Nicholas made a motion to approve the commencement of pension for Firefighter Hernandez and Firefighter Rodriguez. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

Retired Police Officer John W. Van Vranken passed away on January 15, 2021. Widow Julia Van Vranken will receive a benefit under the Code of the City of Miami Beach, Section 69(b)(1)(A). She will be entitled to 100% of his monthly pension benefit for one year and thereafter 50% of the benefit until remarriage or death. She will also be entitled to a 2½ % cost of living increase each October.

Trustee Johnson made a motion to approve the commencement of pension for Julia Van Vranken. The motion was seconded by Secretary Garcia and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR FEBRUARY 2021

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

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

COUNSEL

Memorandum dated February 2021 from Klausner, Kaufman, Jensen & Levinson regarding Best Practices for Locating Missing or Nonresponsive Participants and Beneficiaries

Attorney Kaufman discussed the Department of Labor best practices guidelines to mitigate the problem of missing or nonresponsive participants. The pension office is aware of these guidelines, so no action is required by the Board. (Attachment #2)

Update on retired Fire Captain Edward Gonzalez regarding new Florida Statute covering cancer for Firefighters

Previously, retired Fire Captain Edward Gonzalez made a request to reclassify his service retirement to a service connected disability retirement based on FS§112.1816. Mr. Gonzalez recently advised that he is withdrawing his claim at this time.

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

Portfolio Review

Peter Hapgood and Peter Palandjian discussed in detail the Intercontinental Real Estate Corporation US REIF Client Review for the Fire and Police real estate portfolio as of December 31, 2020.

Mr. Palandjian advised that Intercontinental has agreed to lower their management fee from 100 basis points to 85 basis points effective April 1, 2021, based on the aggregate subscription amounts of the Miami Beach Fire and Police Pension, Miami Beach Police Officers Retirement Trust Fund (185 Fund) and the Miami Beach Firefighters Retirement Trust Fund (175 Fund).

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

Portfolio Review

Robert Maddock, Michael Bray and Adrian Sancho reviewed in detail the Investment Commentary of the Fire and Police large cap and fixed income portfolio as of December 31, 2020.

**ANDCO CONSULTING
JOHN MCCANN - SENIOR CONSULTANT**

Investment Performance Review

John McCann provided the Investment Performance Review for the period ending December 31, 2020. In summary, the Fund's total fiscal year to date net return is 9.85% (October 1, 2020, through December 31, 2020).

Inverness Counsel

During the period beginning 01/01/00 and ending 12/31/20, the equity portion of the fund had an annualized return from inception of 7.83% compared to the S&P 500 Index of 6.61%. During the period beginning 10/01/90 and ending 12/31/20, the fixed income portion of the fund had an annualized return from inception of 6.16% compared to the ½ BCGC and ½ BCGCI Index of 5.76%. As of 12/31/20, the ending value of the Inverness' equity portfolio including \$388,223 in cash equivalent was \$214,262,878; the ending value of Inverness' fixed income portfolio including \$1,732,410 in cash equivalent was \$195,299,479; and the ending value of Inverness' cash was \$25,111,188.

Wellington Mgmt. Company Small Cap – Period beginning 07/01/99 and ending 12/31/20

Wellington equity had an annualized return from inception of 12.40% compared to the Russell 2000 Index of 8.48%. As of 12/31/20, the ending value of the Wellington portfolio was \$114,698,920.

Logan Capital Management Large Cap Growth – Period beginning 04/01/07 and ending 12/31/20

Logan equity had an annualized return from inception of 11.93% compared to the Russell 1000 Growth Index of 12.94%. As of 12/31/20, the ending value of the Logan portfolio including \$1,150,410 in cash equivalent was \$76,638,673.

RhumbLine Advisers Large Cap Value – Period beginning 01/01/17 and ending 12/31/20

RhumbLine equity index fund had an annualized return from inception of 7.86% compared to the Russell 1000 Value Index of 7.92%. As of 12/31/20, the ending value of the RhumbLine portfolio was \$56,543,401.

RhumbLine Advisers Mid Cap – Period beginning 07/01/97 and ending 12/31/20

RhumbLine equity index fund had an annualized return from inception of 10.81% compared to the S&P MidCap 400 Index of 10.81%. As of 12/31/20, the ending value of the RhumbLine portfolio including \$148,480 in cash equivalent was \$89,680,514.

RhumbLine Advisers International Equity - Period beginning 01/01/16 and ending 12/31/20

RhumbLine international equity index fund had an annualized return from inception 7.60% compared to the MSCI EAFE Index of 7.97%. As of 12/31/20, the ending value of the RhumbLine portfolio was \$58,086,948.

JP Morgan Asset Management Real Estate - Period beginning 10/01/07 and ending 12/31/20

JP Morgan real estate, Strategic Property Fund, had an annualized return from inception of 5.49% compared to the NCREIF Index-Open End Diversified Core of 5.02%. As of 12/31/20, the ending value of JP Morgan portfolio was \$48,810,505.

JP Morgan Asset Management Real Estate - Period beginning 12/07/20 and ending 12/31/20

JP Morgan real estate, Special Situation Property Fund, as of 12/31/20, had an ending value of \$50,000,000.

Intercontinental Real Estate - Period beginning 04/01/18 and ending 12/31/20

Intercontinental real estate had an annualized return from inception of 6.83% compared to the NCREIF Index-Open End Diversified Core of 4.93%. As of 12/31/20, the ending value of the Intercontinental portfolio was \$50,507,772.

Wells Capital Management International Bonds – Period beginning 10/01/11 and ending 12/31/20

Wells international bonds had an annualized return from inception of 1.88% compared to the FTSE Non-U.S. World Government Bond Index of 1.43%. As of 12/31/20, the ending value of Wells portfolio was \$57,790,633.

Tocqueville Fixed Income – Period beginning 11/01/20 and ending 12/31/20

Tocqueville fixed income as of 12/31/20 had an ending value of \$50,113,699, including \$557,263 in cash equivalent.

Grosvenor Institutional Partners, L.P. – Period beginning 11/01/20 and ending 12/31/20

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 7.13% compared to the 90 day T-Bill + 5.0% Index of 0.84%. As of 12/31/20, the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$10,712,568.

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

As of 12/31/20, the ending value of the Fund was \$1,098,257,177. Of the \$1,098,257,177, the Cash Equivalent portion of the Fund was 2.29% or \$25,111,188. The results for the 12 month period ending 12/31/20, show that the Fund's return of 14.14%, after investment expenses, outperformed the benchmark indices of 13.00%. During this 12 month period, Inverness equity significantly outperformed the S&P 500 Index, Wellington significantly outperformed the Russell 2000 Index, Logan underperformed the Russell 1000 Growth Index, RhumbLine matched the S&P MidCap 400 Index, RhumbLine slightly underperformed the Russell 1000 Value Index, RhumbLine underperformed the MSCI EAFE Index, JP Morgan's Strategic Property Fund 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 underperformed the Index composed of ½ BCGC and ½ BCGCI.

Quarterly DROP Review

1. Review of the dual provider DROP program

Mr. McCann provided a review of the Voya and Nationwide DROP investment options for the period ending December 31, 2020. He does not recommend any changes at this time; however, he is keeping an eye on the Nationwide Fidelity® Contrafund® (FCNTX).

With regard to the review of the dual provider DROP program, within Nationwide there are only two investment options not being used by participants at this time: Nationwide Destinations Conservative (NDCSX) and Moderate Class Service (NSDMX). Mr. McCann recommends maintaining these funds as they balance the level of risk participants may be willing to take. The Board agreed.

Amendment to AndCo Consulting, LLC agreement

Mr. McCann presented an amendment to the AndCo Consulting, LLC agreement effective October 1, 2020, for additional pension consulting services as follows:

- \$3,000 annually for monitoring the Tocqueville fixed income funds
- \$3,000 annually for monitoring the Grosvenor Institutional Partners, L.P. Fund
- \$3,000 annually for monitoring the JP Morgan Special Situation Property Fund

Trustee Johnson made a motion to approve the amendment to the AndCo Consulting, LLC agreement from October 1, 2020, through September 30, 2022. The motion was seconded by Trustee Nolan and unanimously carried. (Attachment #3)

Mr. McCann thanked the Board for continuing to trust AndCo Consulting, LLC.

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US Executive Order No. 13959 regarding restrictions on investments in certain designated Chinese companies

John McCann advised that the Board has two international managers, Wells Fargo Asset Management and RhumbLine Advisers. Both managers have confirmed that they are committed to full compliance of US Executive Order No. 13959 prohibiting investment in certain Chinese companies. (Attachment #4)

DIRECTOR'S REPORT

2020 Affidavits

Director Brito advised that the affidavit for beneficiary Judith Ridge has been received and her January 2021 check has been mailed.

Update on the Budget Advisory Committee Meeting held on February 9, 2021

Director Brito, John McCann, Senior Consultant from AndCo Consulting, and Nicolas Lahaye, Consultant and Actuary from Gabriel Roeder Smith & Company, attended the virtual Budget Advisory Committee (BAC) meeting on February 9, 2021. Mr. Lahaye discussed the results from the October 1, 2019, actuarial valuation and the assumption changes approved for the October 1, 2020, actuarial valuation. Mr. McCann spoke about the investment changes the Board implemented in October 2020 and gave a market value update as of December 31, 2020.

The BAC chairman reflected that both City of Miami Beach pension funds have become healthier over the past few years.

FPPTA Pension Fundamentals for New Trustees, March 10, 2021

FPPTA Spring Trustee School CPPT Program, April 20-23, 2021

FPPTA Spring Trustee School CEU Program, May 18-19, 2021

1. Enrollment in the CPPT program for Antoinette Roman and Clara La Rosa

Director Brito requested approval for Antoinette Roman and Clara La Rosa to enroll in the FPPTA's CPPT Program and to attend the Fundamentals for New Trustees and Basic Program. There were various discussions regarding the benefits of having a fully educated staff.

Secretary Garcia made a motion to replace Standing Motion dated August 19, 2004, as follows:

Standing Motion dated February 18, 2021

To allow any Trustee, administrator and pension office staff to participate in the Certified Public Pension Trustee (CPPT) Program sponsored by the Florida Public Pension Trustees Association (FPPTA); and to annually maintain their CPPT certification by attending FPPTA Trustee schools and CEU programs in Florida as scheduled providing it does not exceed the yearly budget. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #5)

Trustee Spina Taylor made a motion to approve February Warrant #5049 for \$3,100 to enroll Antoinette Roman and Clara La Rosa in the CPPT Program and to register them for the virtual Pension Fundamentals for New Trustees and Basic Program. The motion was seconded by Trustee Johnson and unanimously carried.

Benefit Statements


Director Brito advised that every year all active members receive an updated benefit statement. This year the Estimated Statement of Benefits were prepared as of payroll period ending December 20, 2020, and mailed in February 2021.

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


- A. Administrative Budget

ADJOURNMENT

Secretary Garcia made a motion to adjourn the meeting. The motion was seconded by Trustee Spina Taylor and unanimously carried. The meeting was adjourned at 10:03 AM.



David J. Frazier, Jr., Chairman



Eric M. Garcia, Secretary