

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

**931<sup>ST</sup> BOARD OF TRUSTEES MEETING**

**March 18, 2021**

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

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

**931<sup>ST</sup> MEETING OF THE BOARD OF TRUSTEES  
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS  
IN THE CITY OF MIAMI BEACH**

**March 18, 2021**

**CALL TO ORDER**

Meeting was called to order at 8:32 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  
James D. Nolan  
Elise Spina Taylor

**ADMINISTRATION**

Hernan D. Cardeno  
Eric T. Carpenter  
Tameka Otto Stewart

Absent was:

Paul D. Johnson

- Fire Department

Present were:

Stuart A. Kaufman, Esq.  
Donna Brito  
Myriame Jean-Baptiste  
Clara La Rosa  
Antoinette Roman

- Attorney, Klausner, Kaufman, Jensen & Levinson (KKJL)  
- Executive Director  
- Pension Administrator  
- Office Manager  
- Accounting Manager

Also present were:

Oliver G. Hanna  
Shelly Jones  
Nicolas Lahaye  
John McCann  
John T. Rochford  
Brendon Vavrica  
Joe Zock

- Fire Lieutenant, City of Miami Beach  
- Consultant and Actuary, Gabriel Roeder Smith & Company  
- Consultant and Actuary, Gabriel Roeder Smith & Company  
- Senior Consultant, AndCo Consulting  
- Portfolio Manager, Tocqueville Asset Management L.P.  
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- Portfolio Manager, Tocqueville Asset Management L.P.

**MINUTES**

**Regular Meeting of the Board of Trustees – February 18, 2021**

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

**COMMENCEMENT OF PENSION**

Police Sergeant Maria C. Weiss retired under the DROP program, resigned from City employment effective February 25, 2021, and is eligible to commence her monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Spina Taylor made a motion to approve the commencement of pension for Sergeant Weiss. The motion was seconded by Secretary Garcia and unanimously carried. (Attachment #1-1 Schedule A)

**DEFERRED VESTED SERVICE RETIREMENT – PAYABLE AT AGE 50**

*Police Officer Michael T. Haley resigned with vested rights on February 9, 2021. Officer Haley had 8 years and 11 months of pension service time. He will be eligible for pension benefits at age 50 on July 9, 2032.*

*Trustee Nolan joined the meeting at approximately 8:36 AM.*

**LUMP SUM REFUND**

*Police Officer Adam A. Atherley's last day of work was February 11, 2021. As a Tier 5 member with less than 10 years of pension service time, he was not vested. Mr. Atherley requested a lump sum refund of his employee contributions with interest.*

*Police Officer Ervin Chunga's last day of work was February 27, 2021. As a Tier 5 member with less than 10 years of pension service time, he was not vested. Mr. Chunga requested a lump sum refund of his employee contributions with interest.*

*Former Police Officer Gustavo Cruz's last day of work was December 1, 2006. He had less than 10 years of pension service time so he was not vested. Mr. Cruz requested a lump sum refund of his employee contributions with interest.*

*Secretary Garcia made a motion to approve the payment for the lump sum refund of employee contributions with interest to Adam A. Atherley, Ervin Chunga and Gustavo Cruz. The motion was seconded by Trustee Nolan and unanimously carried. (Attachment 1-1 Schedule A)*

**FINANCIAL REPORT FOR MARCH 2021**

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

*The Director advised that the \$450 registration fee for Trustee Carpenter's FPPTA Virtual 2021 Spring Trustees School had to be cancelled.*

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

**BUYBACKS COVERING THE PERIOD OF JANUARY 22, 2021, THROUGH MARCH 18, 2021**

*The following buyback schedule included in the agenda packet was processed from January 22, 2021, through March 18, 2021.*

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

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

**COUNSEL**

**Statement of Policy Regarding Contractual Provisions for Investment Managers**

Attorney Kaufman discussed in detail the recommended Statement of Policy Regarding Contractual Provisions for Investment Managers. The purpose of the policy is to ensure a level of consistency with contractual agreements and the provisions contained within them. Potential new investment managers can determine whether or not they can meet Fund expectations prior to being included in a formal manager search. The policy would be applied prospectively and can be changed at any time.

There were various discussions regarding proxy voting, whether this is a commercially reasonable best practice and if so, can it be applied to existing contracts. Attorney Kaufman confirmed that over time he will review the contracts negotiated prior to KKJL providing legal counsel to the Fund. He will report back to the Board any major concerns.

Trustee Carpenter made a motion to adopt the Statement of Policy Regarding Contractual Provisions for Investment Managers as presented. The motion was seconded by Secretary Garcia and unanimously carried. (Attachment #3)

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

**Draft of 10/01/20 Actuarial Valuation – Discussion and possible action**

Shelly Jones and Nicolas Lahaye provided the preliminary Actuarial Valuation as of October 1, 2020, and discussed the results in detail.

In summary: The Actuarial Valuation develops the required minimum Retirement Fund payment under the Florida Protection of Public Employee Retirement Benefits Act and for Fire and Police Retirement Chapters 175 and 185. The minimum payment consists of payment of annual normal costs including amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum required contribution for fiscal year ending September 30, 2022, is \$52,553,532.

This total cost of \$52,553,532 is to be met by member, City and State (Share Plan) contributions. It is anticipated that member contributions will be \$7,016,935, the State (Share Plan) will contribute \$120,549 and the resulting minimum required City contribution will be \$45,416,048. The minimum required City contribution is an increase of \$2,091,138 from the prior year; however, it is a reduction of \$685,614 from the prior year's projected required contribution for fiscal year ending September 30, 2022.

For informational purposes only, the minimum required City contribution without the Maximum Benefit Limitations under Internal Revenue Code (IRC 415) would have been approximately \$45,518,000. The net minimum required City contribution to the Fund was lowered by approximately \$102,000 due to the requirements of the IRC 415.

Ms. Jones advised that the assumption changes effective October 1, 2020, are as follows:

- Pursuant to a motion made at the May 21, 2020, board meeting, the investment return assumption has been lowered by 10 basis points from 7.65% down to 7.55%, net of investment expenses, compounded annually.
- The retirement assumption was updated to reflect the results of an experience study performed on the fund over the 5 year period of October 1, 2014, through September 30, 2019.

**931<sup>st</sup> Meeting of the Board of Trustees**  
**March 18, 2021**

*After various discussions, Trustee Nolan made a motion to accept the Actuarial Valuation as of October 1, 2020, as presented. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #4)*

*Trustee Carpenter made a motion to adopt 7.55% as the expected annual rate of return for the current year, 7.50% for each of the next several years and for the long term thereafter. The motion was seconded by Secretary Garcia and unanimously carried.*

**TOCQUEVILLE ASSET MANAGEMENT L.P.**  
**JOHN T. ROCHFORD – PORTFOLIO MANAGER**  
**JOE ZOCK – PORTFOLIO MANAGER**

**Portfolio Review**

*Joe Zock and John Rochford reviewed in detail the Investment Commentary of the Fire and Police fixed income portfolio as of March 5, 2021.*

**ANDCO CONSULTING**  
**JOHN MCCANN - SENIOR CONSULTANT**  
**BRENDON VAVRICA – CONSULTANT**

**Wells Fargo Asset Management to be acquired by GTCR and Reverence Capital Partners**

*Brendon Vavrica advised that Wells Fargo announced on February 23, 2021, that it had reached a definitive agreement for GTCR LLC and Reverence Capital Partners, L.P. to acquire Wells Fargo Asset Management (WFAM). The transaction is expected to close in the second half of 2021. AndCo does not have any concerns at this time; however, they will continue to closely monitor the transfer for any changes likely to materially impact management of the investment, the company, or the Fund. (Attachment #5)*

**DIRECTOR'S REPORT**

**Engagement letter from KSDT**

*The Director provided letter dated March 4, 2021, from KSDT for engagement of their services for the Financial Statements year ending September 30, 2021. The letter has been reviewed by the Director and the Board's attorney.*

*Trustee Spina Taylor made a motion to approve the letter of engagement from KSDT and direct the Chairman to execute the letter as presented. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #6)*

**2021 Board of Trustees Election Schedule**

*The Director provided the 2021 Board of Trustees Election Schedule and commented that the same procedure used in prior years will be used again this year. (Attachment #7).*

**2020 Annual State Report**

*Director Brito advised that the Annual State Report was filed online on February 26, 2021, and copies are available at the pension office.*

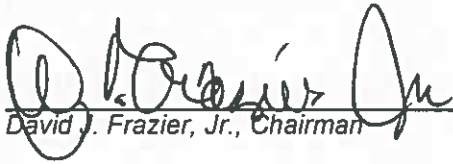
**931<sup>st</sup> Meeting of the Board of Trustees**  
**March 18, 2021**

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

- A. *Form -1 2020 Statement of Financial Interests – to be filed by 07/01/2021*
- 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 10:16 AM.*

  
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David J. Frazier, Jr., Chairman

  
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Eric M. Garcia, Secretary