

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

933RD BOARD OF TRUSTEES MEETING

May 20, 2021

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

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

**933RD MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

May 20, 2021

CALL TO ORDER

Meeting was called to order at 8:30 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
Paul D. Johnson

POLICE DEPARTMENT

Eric M. Garcia
James D. Nolan
Elise Spina Taylor

ADMINISTRATION

Hernan D. Cardeno
Tameka Otto Stewart

Absent was:

Eric T. Carpenter - 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
Robert K. Maddock - Senior Vice President, Inverness Counsel, LLC
John McCann - Senior Consultant, AndCo Consulting
Adrian K. Sancho - Senior Vice President, Inverness Counsel, LLC

MINUTES

Regular Meeting of the Board of Trustees – April 15, 2021

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 Johnson and unanimously carried.

COMMENCEMENT OF PENSION

Police Officer Elio Oliva retired under the DROP program, resigned from City employment effective April 2, 2021, and is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Victor A. Silot retired under the DROP program, resigned from City employment effective April 30, 2021, 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 Officer Oliva and Officer Silot. The motion was seconded by Trustee Spina Taylor and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

Retired Police Sergeant Sherwood Griscom passed away on March 3, 2021. His pension has been discontinued as of April 1, 2021, as there are no beneficiaries under the Plan.

Beneficiary Suzann R. Reed, widow of retired Police Sergeant Charles H. Reed, passed away on March 13, 2021. Her pension has been discontinued as of April 1, 2021, as there are no other beneficiaries under the Plan.

Beneficiary B. Joan Morgan, widow of Police Lieutenant George C. Morgan, passed away on April 30, 2021. 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 Sherwood Griscom, Suzann R. Reed and B. Joan Morgan. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR MAY 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 Nolan and unanimously carried. (Attachment #1)

BUYBACKS COVERING THE PERIOD OF MARCH 19, 2021, THROUGH MAY 20, 2021

The following buyback schedule included in the agenda packet was processed from March 19, 2021, through May 20, 2021.

- *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 Spina Taylor and unanimously carried. (Attachment #2)

COUNSEL

Legislative Update

During the past few months, proposed SB 84 has been monitored very closely by KKJL. Attorney Kaufman advised that the proposed bill did not successfully pass through the House and will not become law.

Attorney Kaufman requested permission to return to an in-person board meeting for the month of June. The Board agreed. In addition, the Board will meet one hundred percent in person as of June, and investment managers and members of the public will continue to join via video or audio conferencing.

933rd Meeting of the Board of Trustees
May 20, 2021

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 March 31, 2021.

ANDCO CONSULTING
JOHN MCCANN - SENIOR CONSULTANT

Investment Performance Review

John McCann provided the Investment Performance Review for the period ending March 31, 2021. In summary, the Fund's total fiscal year to date net return is 13.78% (October 1, 2020, through March 31, 2021).

Inverness Counsel S&P 500 – Period beginning 01/01/00 and ending 03/31/21

Inverness equity had an annualized return from inception of 8.01% compared to the S&P 500 Index of 6.84%. As of 03/31/21, the ending value of the Inverness portfolio including \$8,708,776 in cash equivalent was \$226,031,917.

Wellington Mgmt. Company Small Cap – Period beginning 07/01/99 and ending 03/31/21

Wellington equity had an annualized return from inception of 12.67% compared to the Russell 2000 Index of 8.97%. As of 03/31/21, the ending value of the Wellington portfolio was \$124,505,002.

Logan Capital Management Large Cap Growth – Period beginning 04/01/07 and ending 03/31/21

Logan equity had an annualized return from inception of 11.98% compared to the Russell 1000 Growth Index of 12.77%. As of 03/31/21, the ending value of the Logan portfolio including \$1,309,061 in cash equivalent was \$79,400,017.

RhumbLine Advisers Large Cap Value – Period beginning 01/01/17 and ending 03/31/21

RhumbLine equity index fund had an annualized return from inception of 10.11% compared to the Russell 1000 Value Index of 10.16%. As of 03/31/21, the ending value of the RhumbLine portfolio was \$62,893,401.

RhumbLine Advisers Mid Cap – Period beginning 07/01/97 and ending 03/31/21

RhumbLine equity index fund had an annualized return from inception of 11.28% compared to the S&P MidCap 400 Index of 11.28%. As of 03/31/21, the ending value of the RhumbLine portfolio including \$468,869 in cash equivalent was \$101,709,035.

RhumbLine Advisers International Equity - Period beginning 01/01/16 and ending 03/31/21

RhumbLine international equity index fund had an annualized return from inception of 7.94% compared to the MSCI EAFE Index of 8.30%. As of 03/31/21, the ending value of the RhumbLine portfolio was \$60,158,619.

JP Morgan Asset Management Real Estate - Period beginning 10/01/07 and ending 03/31/21

JP Morgan real estate, Strategic Property Fund, had an annualized return from inception of 5.11% compared to the NCREIF Index-Open End Diversified Core of 5.09%. As of 03/31/21, the ending value of the portfolio was \$49,717,043.

JP Morgan Asset Management Real Estate - Period beginning 01/01/21 and ending 03/31/21

JP Morgan real estate, Special Situation Property Fund, had an annualized return from inception of 3.11% compared to the NCREIF Index-Open End Diversified Core of 2.25%. As of 03/31/21, the ending value of the portfolio was \$51,550,313.

Intercontinental Real Estate - Period beginning 04/01/18 and ending 03/31/21

Intercontinental real estate had an annualized return from inception of 5.92% compared to the NCREIF Index-Open End Diversified Core of 5.29%. As of 03/31/21, the ending value of the Intercontinental portfolio was \$51,660,709.

Wells Capital Management International Bonds – Period beginning 10/01/11 and ending 03/31/21

Wells international bonds had an annualized return from inception of 1.28% compared to the FTSE Non-U.S. World Government Bond Index of 0.69%. As of 03/31/21, the ending value of the Wells portfolio was \$54,938,091.

Inverness Counsel Fixed Income – Period beginning 01/01/90 and ending 03/31/21

Inverness fixed income had an annualized return from inception of 6.01% compared to the ½ BBGIC and ½ BBGC Index of 5.61%. As of 03/31/21, the ending value of Inverness' fixed income portfolio including \$1,089,599 in cash equivalent was \$141,748,538; and the ending value of Inverness' cash was \$55,306,281.

Tocqueville Fixed Income – Period beginning 11/01/20 and ending 03/31/21

Tocqueville fixed income had an annualized return from inception of -1.71% compared to the ½ BCGIC and ½ BCGC Index of -2.04%. As of 03/31/21, the ending value of the Tocqueville's fixed income portfolio including \$9,602,570 in cash equivalent was \$48,898,460.

Grosvenor Institutional Partners, L.P. – Period beginning 11/01/20 and ending 03/31/21

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 6.79% compared to the 90 day T-Bill + 5.0% Index of 2.10%. As of 03/31/21, the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$10,679,003.

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

As of 03/31/21, the ending value of the Fund was \$1,119,196,429. Of the \$1,119,196,429, the Cash Equivalent portion of the Fund was 6.83% or \$76,485,156. The results for the 12 month period ending 03/31/21 show that the Fund's return of 35.02%, after investment expenses, outperformed the benchmark indices of 34.91%. During this 12 month period, Inverness equity outperformed the S&P 500 Index, Wellington significantly outperformed the Russell 2000 Index, Logan significantly outperformed the Russell 1000 Growth Index, RhumbLine slightly underperformed 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 significantly underperformed the NCREIF Index-Open End Diversified Core, Intercontinental outperformed the NCREIF Index-Open End Diversified Core. On the fixed income side, Wells significantly outperformed the FTSE Non-U.S. World Government Bond Index, and Inverness significantly outperformed the Index composed of ½ BCGC and ½ BCGCI.

Quarterly DROP Review

Mr. McCann provided a review of the Voya and Nationwide DROP investment options for the period ending March 31, 2021. He advised that on February 10, 2021, Nationwide changed the Nationwide U.S. Small Cap Value Fund to the Nationwide American Century Small Cap Income Fund. When Mr. McCann inquired about the change, Nationwide advised that only the subadvisor relating to the fund was changed and the ticker (NWUSX) remained the same. Mr. McCann had to remind Nationwide that, as the Board's investment manager, he needs to be informed of any changes prior to their occurrence in order to review options. (Attachment #3)

Upon Mr. McCann's review, the American Century Small Cap Income Fund was not the most nor least expensive, and not the best nor least performing small cap fund within the Nationwide small cap portfolio. Therefore, Mr. McCann was comfortable with the Nationwide selection. The Board agreed.

DIRECTOR'S REPORT

Maximum Benefit Limitations – Internal Revenue Code Section 415 (IRC 415)

The Director advised that for FY 2020/2021, two members will meet the IRC 415 limit in July and an additional three members will meet the limit in September.

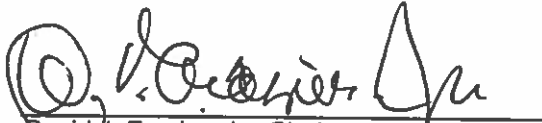
For the Board's information, the following items were distributed as either part of the Agenda or meeting packet:

- A. FPPTA 37th Annual Conference, June 27 – 30, 2021, Omni Orlando Resort at Champions Gate, Orlando, FL
- B. NCPERS Virtual Trustee Education Seminars (TEDs), June 8 – 9, 2021
- C. Administrative Budget


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ADJOURNMENT

Trustee Spina Taylor made a motion to adjourn the meeting. The motion was seconded by Trustee Cardeno and unanimously carried. The meeting was adjourned at 9:20 AM.



David J. Frazier, Jr., Chairman



Eric M. Garcia, Secretary