

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

**935<sup>TH</sup> BOARD OF TRUSTEES MEETING**

**August 19, 2021**

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

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

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

**August 19, 2021**

**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.  
Dwight M. Nicholas  
Paul D. Johnson

**POLICE DEPARTMENT**

James D. Nolan

**ADMINISTRATION**

Eric T. Carpenter  
Tameka Otto Stewart

**Absent were:**

Steven L. Feldman	- Police Department
Daniel D. Molina	- Police Department
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
Robert K. Maddock	- Senior Vice President, Inverness Counsel, LLC
John McCann	- Senior Consultant, AndCo Consulting
Adrian K. Sancho	- Senior Vice President, Inverness Counsel, LLC
Brendon Vavrica	- Consultant, AndCo Consulting

**ELECTION OF CHAIRPERSON AND SECRETARY FOR JULY 1, 2021 – JUNE 30, 2023**

Chairman Frazier nominated Trustee Nolan for Chairman for the term commencing July 1, 2021. There was a motion to close nominations by Trustee Johnson. The motion was seconded by Trustee Otto Stewart and unanimously carried. There being no further nominations, Trustee Nolan was declared Chairman by acclamation.

Trustee Frazier nominated Trustee Nicholas for Secretary for the term commencing July 1, 2021. Trustee Nicholas declined the nomination as he could not devote the proper time to the position and nominated Trustee Frazier. There was a motion to close nominations by Trustee Otto Stewart. The motion was seconded by Chairman Nolan. There being no further nominations, Trustee Frazier was declared Secretary by acclamation.

Chairman Nolan thanked former Chairman Frazier for his past service and acknowledged that he did a good job under very exceptional times due to COVID.

Trustee Carpenter arrived at 8:40 AM.

**MINUTES**

**Regular Meeting of the Board of Trustees – June 17, 2021**

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

**DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY**

The following members retired under the DROP program effective August 1, 2021, in accordance with the Miami Beach Code, Section 66(a) and Section 79.

	<b>NAME</b>	<b>CLASSIFICATION</b>	<b>SERVICE</b>	<b>ELIGIBILITY</b>	<b>BUYBACK</b>
1	Matthew C. Atwell	Police Officer	17 years 5 months	Tier 1, Age 50	6% Multiplier
2	Clifford D. Beck, Jr.	Police Officer	12 years 5 months	Tier 1, Age 50	6% Multiplier
3	Elio Cruz	Police Officer	19 years 11 months	Tier 1, Rule of 70 (minimum age 47)	2 years PEPSS
4	Morton K. Eaton	Police Officer	14 years 11 months	Tier 1, Age 50	6% Multiplier
5	Antonio Ferbeyre	Police Officer	17 years 11 months	Tier 1, Age 50	6% Multiplier
6	Omar Marrero	Police Officer	12 years 3 months	Tier 1, Age 50	6% Multiplier
7	Duane P. Mitchell	Police Officer	21 years 8 months	Tier 1, Rule of 70 (minimum age 47)	6% Multiplier
8	Jeffrey Motola	Police Sergeant	20 years 6 months	Tier 1, Rule of 70 (minimum age 47)	2 years PEPSS
9	Michael L. Olivares	Fire Division Chief	22 years 1 month	Tier 1, Rule of 70 (minimum age 47)	6% Multiplier
10	Roland Sanchez	Firefighter	21 years 11 months	Tier 1, Rule of 70 (minimum age 47)	6% Multiplier

Secretary Frazier made a motion to approve the pension service retirement for Officer Atwell, Officer Beck, Officer Cruz, Officer Eaton, Officer Ferbeyre, Officer Marrero, Officer Mitchell, Sergeant Motola, Division Chief Olivares, Firefighter Sanchez and grant entry into the Deferred Retirement Option Plan (DROP). The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #1-1 Schedule A)

**COMMENCEMENT OF PENSION**

Police Officer Rigoberto Olivera was retired under the DROP program and resigned from City employment effective June 30, 2021. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer William A. Pacheco was retired under the DROP program and resigned from City employment effective June 6, 2021. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

*Police Officer Sarah Szuster was retired under the DROP program and resigned from City employment effective June 30, 2021. She is eligible to commence her monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.*

*Trustee Otto Stewart made a motion to approve the commencement of pension for Officer Olivera, Officer Pacheco and Officer Szuster. The motion was seconded by Chairman Nolan and unanimously carried. (Attachment #1-1 Schedule A)*

### **SERVICE RETIREMENT**

*Police Sergeant Rolando Noriega retired effective August 1, 2021, with 23 years and 5 months of service in accordance with the Miami Beach Code, Section 66(a). Sergeant Noriega met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47. In addition, Sergeant Noriega purchased the 6% multiplier.*

*Secretary Frazier made a motion to grant service retirement to Sergeant Noriega. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #1-1 Schedule A)*

### **LUMP SUM REFUND**

*Former Police Officer Nabila M. Leiva's last day of work was February 6, 2020. She had less than 5 years of pension service time so she was not vested. Ms. Leiva requested a lump sum refund of her employee contributions with interest.*

*Secretary Frazier made a motion to approve the lump sum refund of employee contributions with interest to Nabila M. Leiva. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment 1-1 Schedule A)*

### **DECEASED**

*Retired Firefighter Jerry D. Rogers passed away on July 25, 2021. Widow Linda B. Rogers will receive a benefit under the Code of the City of Miami Beach, Section 69(a)(1)(A). She will be entitled to 100% of his monthly pension benefit for one year and thereafter 75% of the benefit until remarriage or death. She will also be entitled to a 2½ % cost of living increase each October.*

*Trustee Nicholas made a motion to approve the commencement of pension for Linda B. Rogers. The motion was seconded by Secretary Frazier and unanimously carried. (Attachment #1-1 Schedule A)*

### **FINANCIAL REPORT FOR JULY 2021**

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

*Director Brito advised that since the July 2021 board meeting had to be cancelled, Financial Warrants #5080-5087 have to be ratified from July 2021.*

*Secretary Frazier made a motion to approve the ratification of Warrants #5080-5087. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #1, July 2021)*

**FINANCIAL REPORT FOR AUGUST 2021**

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

*Secretary Frazier made a motion to accept the Financial Warrants as presented. The motion was seconded by Trustee Otto Stewart and unanimously carried. (Attachment #1, August 2021)*

**BUYBACKS COVERING THE PERIOD OF MAY 21, 2021, THROUGH AUGUST 12, 2021, INCLUDING ITEMS RELATED TO THE BUYBACK WINDOW FROM JULY 1, 2021, THROUGH SEPTEMBER 30, 2021**

*Director Brito provided a status report for the July 1, 2021, through September 30, 2021, buyback window.*

*The following buyback schedules included in the agenda packet were processed from May 21, 2021, through August 12, 2021.*

- *Buyback of additional multiplier - Fire Department*
- *Buyback of additional multiplier – Police Department*
- *Buyback of pre-employment military time – Police Department*
- *Buyback of pre-employment public safety service – Fire Department*
- *Buyback of pre-employment public safety service – Police Department*
- *Buyback of probationary service time with interest at 3% - Police Department*

*Secretary Frazier made a motion to approve the buybacks shown on the schedules. For the record, it is noted that Trustee Nicholas abstained from the vote in compliance with Section 112.3143, Florida Statutes. Trustee Nicholas has filed "Form 8B Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers". The motion was seconded by Chairman Nolan and unanimously carried. (Attachment #2)*

**Email dated July 29, 2021, from Fire Captain Victor White regarding the purchase of pre-employment public safety service**

*Fire Captain Victor White requested that the Board allow the purchase of pre-employment public safety service for fire department members who received a refund of both employer and employee contributions from a prior employer's defined contribution plan. (Attachment #3)*

*Attorney Kaufman advised that in order to receive the State's premium tax money, the Plan has to abide by the provisions set forth in Florida Statutes Chapter 175. The definition of credited service in Chapter 175.032(6)(c) is:*

*"Credited service under this chapter shall be provided only for service as a firefighter or for military service and does not include credit for any other type of service. A municipality, by local ordinance, or a special fire control district, by resolution, may provide for the purchase of credit for military service prior to employment as well as for prior service as a firefighter for some other employer as long as a firefighter is not entitled to receive a benefit for such prior service."*

*The long-standing and consistent position that the Division of Retirement and KKJL have taken is that the term "benefit" means any benefit, not just a benefit from a defined benefit plan, but a defined contribution plan as well. If a member has received employer contributions from any type of retirement plan, then those employer contributions are deemed to be a benefit for such prior service. If the Board were to make a decision that would be in violation of the provisions of Chapter 175, it may be the position of the Department of Retirement to withhold the premium tax money based on not complying with Chapter 175.*

There were various discussions.

Adonis Garcia, IAFF President, commented that the purchase of service credit is very important to seven or eight members and requested a written legal opinion directly from the Division of Retirement stating that receipt of employer contributions from a defined contribution plan is a clear violation of Chapter 175 and that the State's premium tax money would be withheld. Furthermore, if members were to return the employer contributions to their prior employer, would the State's opinion change. Attorney Kaufman agreed to request a written opinion from the Division of Retirement but could not promise that they would provide a written legal opinion.

Additional discussions ensued. The Board agreed that they did not want members to miss out on the opportunity to purchase a buyback while the Board pursues a written legal opinion from the Department of Retirement. Trustee Carpenter made a motion to table a decision on the purchase of pre-employment public safety service until the Board has a written interpretation from the State. In the meantime, members are allowed the opportunity to purchase the 6% additional multiplier and as long as members have filed the proper paperwork prior to the deadline, they will have the opportunity to convert the multiplier buyback to pre-employment public safety service if allowed by the Board. The motion was seconded by Chairman Nolan and unanimously carried.

**Email dated August 4, 2021, from Police Officer Jorge Yero regarding cancelling his 6% additional multiplier buyback in order to purchase pre-employment public safety service**

Police Officer Jorge Yero advised that he purchased the 6% additional multiplier on July 19, 2021. Afterwards, he realized that he is eligible for pre-employment public safety service. He requested permission from the Board to allow him to change his 6% additional multiplier buyback to 2 years of pre-employment public safety service. (Attachment #4)

After various discussions, Trustee Carpenter made a motion granting members the opportunity to rectify a mistake and change from an additional multiplier buyback to pre-employment public safety. This is as long as the request is made within the buyback window and the proper paperwork is filed prior to the deadline. The motion was seconded by Trustee Johnson and unanimously carried.

**Purchase of Service Credit direct transfer from 457 deferred compensation plans**

Director Brito stated that several weeks after the buyback window had opened, a member submitted a Purchase of Service Credit form requesting that funds from his 457 deferred compensation account be directly transferred to the Plan in order to pay the cash balance of his buyback. The legal opinion from prior buyback periods was that 457 deferred compensation funds could not be directly transferred to the Plan in order to purchase a buyback. The Director had asked Attorney Kaufman if that opinion had changed.

Attorney Kaufman consulted with KKJL's tax counsel, reviewed the Plan Document and reviewed the contracts with the City's two 457 deferred compensation providers. He advised there is nothing in the Plan Document preventing the transfer of funds and both Nationwide and Mission Square allow for the Purchase of Service Credit. This is a common method of payment in many municipalities. Attorney Kaufman confirmed that the Plan can accept direct transfers from the City's 457 deferred compensation providers for the Purchase of Service Credit toward a member's buyback.

Based on Attorney Kaufman's information, former Chairman Frazier had approved that starting July 1, 2021, the Fire and Police pension plan can accept direct transfers from the City's Nationwide and Mission Square 457 deferred compensation plans for members who do not have sufficient sick and/or annual leave hours available to complete a buyback and have to pay the balance with cash. (Attachment #5)

*Union President Garcia asked the Board to change the decision and allow members the opportunity to use any combination of sick and/or annual leave hours, cash or deferred compensation funds to purchase their buyback. Secretary Frazier replied that the decision to use deferred compensation funds for only the cash balance was made in order to be fair to members from previous buyback windows and this current buyback window who did not have the same opportunity.*

*There were various discussions. Attorney Kaufman remarked that the Board could change the decision on a prospective basis. He does not recommend going back and retroactively changing prior buyback purchases. Every member must be treated the same for the purpose of this buyback window.*

*Based on the attorney's recommendation, Trustee Carpenter made a motion to ratify former Chairman Frazier's decision to accept 457 deferred compensation funds for the Purchase of Service Credit toward a member's cash balance only during the current July 1, 2021, to September 30, 2021, buyback window. The motion was seconded by Trustee Otto Stewart and unanimously carried.*

*Director Brito advised that there are still many members who have to purchase their probationary time so the Board could change the policy for all probationary buybacks.*

*Trustee Nicholas made a motion to allow members to use any combination of sick and/or annual leave, cash and deferred compensation funds to purchase a probationary buyback. The motion was seconded by Trustee Johnson and unanimously carried.*

## **COUNSEL**

*Attorney Kaufman advised that KKJL is starting to get questions relating to active service Police Officers and Firefighters that are dying from COVID related illnesses. It is being asked if a COVID death would be considered in line of duty. Currently there is no law in Florida with regard to COVID related deaths and presumptions. However, there are long standing presumption laws for other diseases incurred in line of duty. For these presumptions to apply, a Police Officer or Firefighter would have had to receive an FDA approved vaccine if available. KKJL sense that the next Florida legislative session may address these issues.*

**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 June 30, 2021.*

**ANDCO CONSULTING**  
**JOHN MCCANN - SENIOR CONSULTANT**

### **Investment Performance Review**

*John McCann provided the Investment Performance Review for the period ending June 30, 2021. In summary, the Fund's total fiscal year to date net return is 18.90% (October 1, 2020, through June 30, 2021).*

Inverness Counsel S&P 500 – Period beginning 01/01/00 and ending 06/30/21

Inverness equity had an annualized return from inception of 8.35% compared to the S&P 500 Index of 7.16%. As of 06/30/21, the ending value of the Inverness portfolio including \$548,000 in cash equivalent was \$207,135,000.

Wellington Mgmt. Company Small Cap – Period beginning 07/01/99 and ending 06/30/21

Wellington equity had an annualized return from inception of 12.71% compared to the Russell 2000 Index of 9.07%. As of 06/30/21, the ending value of the Wellington portfolio was \$129,583,000.

Logan Capital Management Large Cap Growth – Period beginning 04/01/07 and ending 06/30/21

Logan equity had an annualized return from inception of 12.35% compared to the Russell 1000 Growth Index of 13.43%. As of 06/30/21, the ending value of the Logan portfolio including \$1,382,000 in cash equivalent was \$85,765,000.

RhumbLine Advisers Large Cap Value – Period beginning 01/01/17 and ending 06/30/21

RhumbLine equity index fund had an annualized return from inception of 10.76% compared to the Russell 1000 Value Index of 10.82%. As of 06/30/21, the ending value of the RhumbLine portfolio was \$66,154,000.

RhumbLine Advisers Mid Cap – Period beginning 07/01/97 and ending 06/30/21

RhumbLine equity index fund had an annualized return from inception of 11.32% compared to the S&P MidCap 400 Index of 11.32%. As of 06/30/21, the ending value of the RhumbLine portfolio including \$125,000 in cash equivalent was \$105,394,000.

RhumbLine Advisers International Equity - Period beginning 01/01/16 and ending 06/30/21

RhumbLine international equity index fund had an annualized return from inception of 8.57% compared to the MSCI EAFE Index of 8.95%. As of 06/30/21, the ending value of the RhumbLine portfolio was \$63,313,000.

JP Morgan Asset Management Real Estate - Period beginning 10/01/07 and ending 06/30/21

JP Morgan real estate, Strategic Property Fund, had an annualized return from inception of 5.23% compared to the NCREIF Index-Open End Diversified Core of 5.33%. As of 06/30/21, the ending value of the portfolio was \$51,170,000.

JP Morgan Asset Management Real Estate - Period beginning 01/01/21 and ending 06/30/21

JP Morgan real estate, Special Situation Property Fund, had an annualized return from inception of 7.76% compared to the NCREIF Index-Open End Diversified Core of 6.77%. As of 06/30/21, the ending value of the portfolio was \$53,877,000.

Intercontinental Real Estate - Period beginning 04/01/18 and ending 06/30/21

Intercontinental real estate had an annualized return from inception of 6.79% compared to the NCREIF Index-Open End Diversified Core of 6.28%. As of 06/30/21, the ending value of the Intercontinental portfolio was \$53,814,000.



Wells Capital Management International Bonds – Period beginning 10/01/11 and ending 06/30/21

Wells international bonds had an annualized return from inception of 1.36% compared to the FTSE Non-U.S. World Government Bond Index of 0.72%. As of 06/30/21, the ending value of the Wells portfolio was \$55,579,000.

Inverness Counsel Fixed Income – Period beginning 01/01/90 and ending 06/30/21

Inverness fixed income had an annualized return from inception of 6.01% compared to the ½ BBGIC and ½ BBGC Index of 5.62%. As of 06/30/21, the ending value of Inverness' fixed income portfolio including \$1,442,000 in cash equivalent was \$202,477,000; and the ending value of Inverness' cash was \$16,563,000.

Tocqueville Fixed Income – Period beginning 11/01/20 and ending 06/30/21

Tocqueville fixed income had an annualized return from inception of -0.55% compared to the ½ BCGIC and ½ BCGC Index of -0.38%. As of 06/30/21, the ending value of the Tocqueville's fixed income portfolio including \$9,896,000 in cash equivalent was \$49,491,000.

Grosvenor Institutional Partners, L.P. – Period beginning 11/01/20 and ending 06/30/21

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 10.30% compared to the 90 day T-Bill + 5.0% Index of 3.35%. As of 06/30/21, the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$11,030,000.

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

As of 06/30/21, the ending value of the Fund was \$1,151,345,000. Of the \$1,151,345,000, the Cash Equivalent portion of the Fund was 2.6% or \$29,956,000. The results for the 12-month period ending 06/30/21 show that the Fund's return of 26.13%, after investment expenses, outperformed the benchmark indices of 25.40%. During this 12-month period, Inverness equity significantly 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 underperformed 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 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 June 30, 2021. He does not recommend any changes at this time.

**John McCann's Retirement effective December 31 2021**

Mr. McCann announced his retirement effective December 31, 2021. He is thankful for almost 30 years working with the Plan. The Plan is being left in very good hands with Brendon Vavrica. (Attachment #6)

**Update on Wells Fargo Asset Management (WFAM) name change and leadership transition**

Mr. McCann spoke with Dann Smith, Director, Wells Fargo Asset Management, and Mr. Smith is expecting no changes within the administration of the portfolio. AndoCo Consulting will continue to monitor the company name change and transition. Attorney Kaufman advised that the name change may require an assignment of the existing contract to the name of the new company. (Attachment #7)

**DIRECTOR'S REPORT**

**Updated Resolution Authorizing Signers on SunTrust Account**

The Director provided an updated Resolution Authorizing the Chairman and Executive Director to be co-signers on the SunTrust checking account. (Attachment #8)

Trustee Carpenter made a motion allowing the Chairman and Secretary to execute this resolution. The motion was seconded by Secretary Frazier and unanimously carried.

**Updated Resolution Authorizing Executive Director to act as an Authorized Agent on behalf of the Board**

The Director provided an updated Resolution Authorizing the Executive Director to act as an authorized agent on behalf of the Board of Trustees. (Attachment #9)

Secretary Frazier made a motion allowing the Chairman and Secretary to execute this resolution. The motion was seconded by Chairman Nolan and unanimously carried.

The Board agreed to change the September board meeting to Wednesday, September 15, 2021, at 8:30 AM, in order to accommodate any Trustee who wishes to celebrate the September 16, 2021, Holiday.

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

- A. NCPERS Fall Conference, September 26-28, 2021, Westin Kierland Hotel, Scottsdale, AZ
- B. FPPTA Fall Trustee School, October 3-6, 2021, Sawgrass Marriott Golf & Spa Resort, Ponte Vedra Beach, FL
- C. Florida Department of Management Services (DMS), Division of Retirement, 50<sup>th</sup> Annual Police Officers' & Firefighters' Pension Conference, November 3-5, 2021, Orlando, FL
- D. Administrative Budget

**ADJOURNMENT**

Trustee Johnson made a motion to adjourn the meeting. The motion was seconded by Secretary Frazier and unanimously carried. The meeting was adjourned at 10:44 AM.

  
James D. Nolan, Chairman

  
David J. Frazier, Jr., Secretary