

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

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

**November 18, 2021**

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

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

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

**November 18, 2021**

**CALL TO ORDER**

Meeting was called to order at 8:34 AM by Acting Chairman Frazier while Chairman Nolan initially attended via videoconference.

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

**FIRE DEPARTMENT**

David J. Frazier, Jr.  
Dwight M. Nicholas  
Paul D. Johnson

**POLICE DEPARTMENT**

Steven L. Feldman  
James D. Nolan

**ADMINISTRATION**

Hernan D. Cardeno  
Eric T. Carpenter  
Tameka Otto Stewart

Absent was:

Daniel D. Molina - 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  
Meg Florian Skinner - Wife of William T. Skinner  
Seth LaVey, Esq. - Attorney for William T. Skinner  
Robert K. Maddock - Senior Vice President, Inverness Counsel, LLC  
John McCann - Senior Consultant, AndCo Consulting  
Adrian K. Sancho - Senior Vice President, Inverness Counsel, LLC  
William T. Skinner - Retired Police Captain, City of Miami Beach  
Brendon Vavrica - Consultant, AndCo Consulting

**DISCUSSION ON THE STATUS OF PENSION BENEFITS FOR WILLIAM T. SKINNER**

**Letter dated July 6, 2021, from William T. Skinner**

William T. Skinner joined the meeting via telephone and was represented by his counsel, Seth LaVey, who appeared by videoconference. Mr. Skinner's wife, Meg Florian, was also present by videoconference. Attorney LaVey confirmed that Mr. Skinner would proceed with the hearing as eight of nine Trustees were present.

Mr. Skinner was sworn in and presented his statement to the Board. He respectfully requested the following actions:

- Eliminate the death provision status, due to the reversal of his convictions and failure to resentence.
- Restore his status as a regular member of the pension.
- Retroactively receive all benefits taken since July 2011 to present, including the 25% pay reduction in effect since July 2012.

**937<sup>th</sup> Meeting of the Board of Trustees  
November 18, 2021**

Attorney LaVey presented an argument that Mr. Skinner's convictions are not final. The Third District Court of Appeal issued a mandate that reversed Mr. Skinner's convictions for both attempted murder counts, remanding the case back to the trial court for retrial on those two counts. The State dropped the two attempted murder charges. The conviction of burglary with a firearm was not reversed. After thorough discussion, Attorney LaVey asserted that by law, Mr. Skinner's armed burglary count must be resentenced in order to finalize his conviction.

Attorney Kaufman advised that Section 74 of the Plan Document states:

*Upon a member's conviction of a felony and actual incarceration in a penitentiary, any pension being paid to the member under this System shall be paid to his wife or children herein prescribed for a deceased member under this article, until his official release from incarceration, then the pension will be paid to the pensioned member again.*

Attorney Kaufman reasoned that even though the two counts of attempted murder were overturned, the conviction for the armed burglary charge remains in place. The Board has to implement the provisions of Section 74 based "upon a member's conviction of a felony and actual incarceration in a penitentiary".

Attorney Kaufman determined by his reading of the Plan Document and Florida case law, that the conviction in the armed burglary case is final. Additionally, according to the plain language of the Plan Document, the conviction did not need to be final for the language in Section 74 to be applied by the Board of Trustees.

There was extensive debate regarding "finality" in the appeal process of Mr. Skinner's criminal conviction; whether the conviction and incarceration in the armed burglary charge remains in place for purposes of Section 74; whether it is the opinion of legal counsel that up until now the actions of the Board have been consistent with the Plan; and whether as fiduciaries of the Plan the Trustees see a significant triggering event to have the Board reconsider the current pension benefit status for Mr. Skinner.

The Board found that Mr. Skinner was convicted of a felony and is currently incarcerated, satisfying both conditions of Section 74.

Trustee Carpenter made a motion to deny the request made by William T. Skinner to eliminate his death provision status and restore his status as a regular member of the pension. The Board can reconsider the motion if something changes with Mr. Skinner's armed burglary count in the future. The motion was seconded by Secretary Frazier and a vote was taken as follows:

<b>NAME OF TRUSTEE</b>	<b>VOTE</b>
Trustee Cardeno	Y
Trustee Carpenter	Y
Trustee Feldman	Y
Secretary Frazier	Y
Trustee Johnson	Y
Trustee Molina	Absent
Trustee Nicholas	Y
Chairman Nolan	Y
Trustee Otto Stewart	Y

The motion carried unanimously. (Attachments #2 and #3)

**MINUTES**

**Regular Meeting of the Board of Trustees – October 21, 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 Feldman and unanimously carried.*

**VESTED SERVICE RETIREMENT**

*Vested Police Officer Raul A. Busquet, upon attainment of age 50 on November 21, 2021, is eligible to receive pension benefits (vested rights – last day of work 01/25/2013) in accordance with the Miami Beach Code, Section 66(a)(b)(g). Mr. Busquet had 11 years and 8 months of service.*

*Trustee Feldman made a motion to approve the commencement of pension for Mr. Busquet. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #1-1 Schedule A)*

**LUMP SUM REFUND**

*Former Police Officer Huguette Dumeus' last day of work was January 14, 2020. She had less than 5 years of pension service time, so she was not vested. Ms. Dumeus requested a lump sum refund of her employee contributions with interest.*

*Trustee Feldman made a motion to approve the lump sum refund of employee contributions with interest to Huguette Dumeus. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment 1-1 Schedule A)*

**FINANCIAL REPORT FOR NOVEMBER 2021**

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

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

**BUYBACKS COVERING THE PERIOD OF OCTOBER 15, 2021, THROUGH NOVEMBER 12, 2021**

*Director Brito provided a final 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 October 15, 2021, through November 12, 2021:*

- Buybacks of additional multiplier*
- Buybacks of pre-employment public safety service*
- Buybacks of pre-employment military time*
- Buybacks of probationary service time with interest at 3%*

*Trustee Cardeno made a motion to approve the buybacks shown on the schedules. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #4)*

*Chairman Nolan joined the meeting at 9:48 AM.*

**COUNSEL**

Attorney Kaufman commended the Board for showing professionalism in demonstrating their fiduciary duties as they evaluated, interpreted, and applied the Plan language to Mr. Skinner's case.

**Memorandum dated November 11, 2021, from BLB&G regarding Southwest Gas Holdings, Inc.**

Attorney Kaufman referred to memorandum dated November 11, 2021, from BLB&G, and advised of potential breaches of fiduciary duty by members of the board at Southwest Gas Holdings, Inc. This is of significance, as the Fund currently holds 2,613 shares through RhumbLine Advisers. (Attachment #5)

Secretary Frazier made a motion to proceed with Attorney Kaufman's recommendation for BLB&G to file a complaint, with the Fund as lead plaintiff, in the stockholder class action case involving Southwest Gas Holdings, Inc. and its board. The motion was seconded by Trustee Carpenter and unanimously carried.

**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 September 30, 2021.

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

**Investment Performance Review**

Brendon Vavrica provided the Investment Performance Review for the period ending September 30, 2021. In summary, the Fund's total fiscal year to date net return is 19.81% (October 1, 2020, through September 30, 2021).

**Inverness Counsel S&P 500 – Period beginning 01/01/00 and ending 09/30/21**

*Inverness equity had an annualized return from inception of 8.35% compared to the S&P 500 Index of 7.10%. As of 09/30/21, the ending value of the Inverness portfolio including \$939,000 in cash equivalent was \$211,556,000.*

**Wellington Mgmt. Company Small Cap – Period beginning 07/01/99 and ending 09/30/21**

*Wellington equity had an annualized return from inception of 12.42% compared to the Russell 2000 Index of 8.75%. As of 09/30/21, the ending value of the Wellington portfolio was \$126,233,000.*

Logan Capital Management Large Cap Growth – Period beginning 04/01/07 and ending 09/30/21

Logan equity had an annualized return from inception of 12.26% compared to the Russell 1000 Growth Index of 13.27%. As of 09/30/21, the ending value of the Logan portfolio including \$1,591,000 in cash equivalent was \$87,460,000.

RhumbLine Advisers Large Cap Value – Period beginning 01/01/17 and ending 09/30/21

RhumbLine equity index fund had an annualized return from inception of 9.98% compared to the Russell 1000 Value Index of 10.04%. As of 09/30/21, the ending value of the RhumbLine portfolio was \$65,643,000.

RhumbLine Advisers Mid Cap – Period beginning 07/01/97 and ending 09/30/21

RhumbLine equity index fund had an annualized return from inception of 11.12% compared to the S&P MidCap 400 Index of 11.12%. As of 09/30/21, the ending value of the RhumbLine portfolio including \$296,000 in cash equivalent was \$103,554,000.

RhumbLine Advisers International Equity - Period beginning 01/01/16 and ending 09/30/21

RhumbLine international equity index fund had an annualized return from inception of 8.10% compared to the MSCI EAFE Index of 8.47%. As of 09/30/21, the ending value of the RhumbLine portfolio was \$63,065,000.

JP Morgan Asset Management Real Estate - Period beginning 10/01/07 and ending 09/30/21

JP Morgan real estate, Strategic Property Fund, had an annualized return from inception of 5.62% compared to the NCREIF Index-Open End Diversified Core of 5.74%. As of 09/30/21, the ending value of the portfolio was \$54,606,000.

JP Morgan Asset Management Real Estate - Period beginning 01/01/21 and ending 09/30/21

JP Morgan real estate, Special Situation Property Fund, had an annualized return from inception of 16.61% compared to the NCREIF Index-Open End Diversified Core of 14.19%. As of 09/30/21, the ending value of the portfolio was \$58,421,000.

Intercontinental Real Estate - Period beginning 04/01/18 and ending 09/30/21

Intercontinental real estate had an annualized return from inception of 7.97% compared to the NCREIF Index-Open End Diversified Core of 7.87%. As of 09/30/21, the ending value of the Intercontinental portfolio was \$56,855,000.

Wells Capital Management International Bonds – Period beginning 10/01/11 and ending 09/30/21

Wells international bonds had an annualized return from inception of 1.09% compared to the FTSE Non-U.S. World Government Bond Index of 0.50%. As of 09/30/21, the ending value of the Wells portfolio was \$54,375,000.

Inverness Counsel Fixed Income – Period beginning 10/01/90 and ending 09/30/21

Inverness fixed income had an annualized return from inception of 5.96% compared to the ½ BBGIC and ½ BBGC Index of 5.57%. As of 09/30/21, the ending value of Inverness' fixed income portfolio including \$1,401,000 in cash equivalent was \$181,776,000; and the ending value of Inverness' cash was \$23,741,000.

Tocqueville Fixed Income – Period beginning 11/01/20 and ending 09/30/21

Tocqueville fixed income had an annualized return from inception of -0.54% compared to the ½ BCGIC and ½ BCGC Index of -0.35%. As of 09/30/21, the ending value of the Tocqueville's fixed income portfolio including \$10,190,000 in cash equivalent was \$49,516,000.

Grosvenor Institutional Partners, L.P. – Period beginning 11/01/20 and ending 09/30/21

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 15.13% compared to the 90 day T-Bill + 5.0% Index of 4.63%. As of 09/30/21, the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$11,513,000.

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

As of 09/30/21, the ending value of the Fund was \$1,148,314,000. Of the \$1,148,314,000, the Cash Equivalent portion of the Fund was 3.32% or \$38,158,000. The results for the 12-month period ending 09/30/21 show that the Fund's return of 19.81%, after investment expenses, underperformed the benchmark indices of 20.68%. During this 12-month period, Inverness equity slightly underperformed the S&P 500 Index, Wellington 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 significantly 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 slightly underperformed the Index composed of ½ BCGC and ½ BCGCI.

**Quarterly DROP Review**

Mr. Vavrica provided a review of the Voya and Nationwide DROP investment options for the period ending September 30, 2021. AndCo does not recommend any changes at this time. However, three specific funds have been placed on watch:

- NATIONWIDE DROP
  - Fidelity Contrafund (FCNTX)
  - Invesco International Growth (AIEVX)
- VOYA DROP
  - American Funds American Mutual (RMFEX)

**Memorandum dated November 18, 2021, from John McCann regarding A Historical Review**

John McCann discussed his memorandum dated November 18, 2021, which detailed the wonderful history he has maintained with the Plan over the past 29 years. (Attachment #6)

**Memorandum dated November 18, 2021, from Brendon Vavrica regarding Consulting Ideas for 2022**

Mr. Vavrica discussed his memorandum dated November 18, 2021, that presented topics he would like to discuss with the Board in the upcoming year. (Attachment #7)

## **DIRECTOR'S REPORT**

### **Discussion regarding office staff performance and salary reviews**

The Director advised that historically the pension office staff performance review and merit increase recommendation was presented to the Board for approval. The Director requested a change to allow the pension office staff performance review and merit increase to be administered exclusively by the Executive Director on the staff member's anniversary date. The Executive Director's performance review and merit increase recommendation will continue to be presented via a review committee to the Board for approval.

Trustee Carpenter made a motion allowing pension office staff evaluations to be administered exclusively by the Executive Director on the staff member's anniversary date, and grant merit increases within a scale of 1% to 3%. Board approval is required for any merit increase above 3% to be granted. The motion was seconded by Trustee Cardeno and unanimously carried.

### **2021 Affidavits**

Director Brito mentioned that the 2021 affidavits have been mailed to the retirees and beneficiaries. If the executed affidavits are not received by December 31, 2021, the pension benefit for January 2022 will be held in abeyance.

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

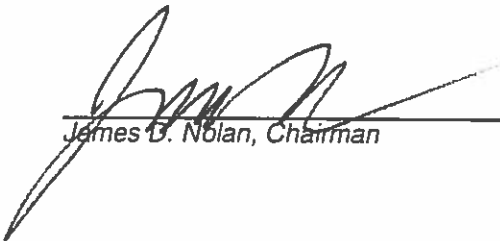
- A. 2022 Money Managers meeting schedule (Attachment #8)
- B. 2022 Schedule of Board Meeting dates (Attachment #9)
- C. FPPTA Trustee School, January 23 – 26, 2022, Orlando, Florida
- D. NAPO's 33<sup>rd</sup> Annual Pension & Benefits Seminar, January 23 – 25, 2022, Las Vegas, NV
- E. Administrative Budget

## **OTHER BUSINESS**

The Director and the Board thanked John McCann, AndCo Consulting Senior Consultant, for his assistance throughout his many years of service to the Fund and extended their congratulations on his retirement.


## **ADJOURNMENT**

Trustee Cardeno 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.



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James D. Nolan, Chairman



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David J. Frazier, Jr., Secretary