

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

947TH BOARD OF TRUSTEES MEETING

September 15, 2022

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

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

**947TH 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 8:30 AM by Acting Chairman Frazier.

Board members present were as follows:

FIRE DEPARTMENT

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

POLICE DEPARTMENT

Steven L. Feldman
Daniel D. Molina

ADMINISTRATION

Hernan D. Cardeno
Eric T. Carpenter
Tameka Otto Stewart

Absent was:

James D. Nolan - Police Department

Present were:

Stuart A. Kaufman, Esq. - Attorney, Klausner, Kaufman, Jensen & Levinson (KKJL)
Donna Brito - Executive Director
Frank Estevez - Assistant Director
Clara La Rosa - Office Manager

Also present were:

Ashley Alson - Senior Vice President, Northern Trust Asset Management, 50 South Capital Advisors, LLC
Sean J. Conroy - Managing Director, GCM Grosvenor
Michael Marderosian - Senior Vice President, 50 South Capital Advisors, LLC
Bob Morgan - Managing Director, 50 South Capital Advisors, LLC
Fran Peters, CFA, CAIA - Managing Director, Investor Relations, HarbourVest Partners, LLC
Michael Pugatch - Managing Director, Secondary Investments, HarbourVest Partners, LLC
David Richter, CPA - Managing Director, GCM Grosvenor
Brendon Vavrica, CFP - Consultant, AndCo Consulting

MINUTES

Regular Meeting of the Board of Trustees – August 18, 2022

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 Johnson and unanimously carried.

COMMENCEMENT OF PENSION

Police Officer William K. Beeker was retired under the DROP program and resigned from City employment effective August 15, 2022. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Luis M. Estopinan was retired under the DROP program and resigned from City employment effective August 31, 2022. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Molina made a motion to approve the commencement of pension for Officer Beeker and Officer Estopinan. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

Retired Police Officer John J. Umamo passed away on August 4, 2022. His pension has been discontinued as there are no beneficiaries under the Plan.

Trustee Otto Stewart made a motion to stop the monthly pension for John J. Umamo. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #1-1 Schedule A)

Retired Firefighter Randall L. Wilder passed away on August 8, 2022. Widow Mary Anna Wilder 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 Molina made a motion to approve the commencement of pension for Mary Anna Wilder. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

Beneficiary Josephine Minervini, widow of retired Police Sergeant Ronald E. Minervini, passed away on August 15, 2022. Her pension has been discontinued as there are no other beneficiaries under the Plan.

Trustee Molina made a motion to stop the monthly pension for Josephine Minervini. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

Trustee Feldman arrived at 8:33 AM.

FINANCIAL REPORT FOR SEPTEMBER 2022

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

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

BUYBACK COVERING THE PERIOD OF JULY 22, 2022, THROUGH SEPTEMBER 15, 2022

Police Officer Eric J. Schultz purchased 2 months of probationary service time with interest at 3%.

Trustee Molina made a motion to approve the buyback for Officer Schultz. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #2)

COUNSEL

Proposed Pension Ordinance to extend elected Trustees term from 2 years to 3 years

Attorney Kaufman presented a draft pension ordinance to reflect the following changes:

- Motion dated May 21, 2020, to update the definition of actuarial assumptions (for the calculation of optional forms of benefits)
- Motion dated August 18, 2022, to extend the elected Trustees length of term from 2 years to 3 years, and to stagger the election for each individual Fire and Police Trustee

After various discussions, Attorney Kaufman agreed to clarify the language regarding the staggered election cycle for the expiring terms of elected trustees. (Attachment #3)

Survey of investment consultant fees

Attorney Kaufman provided a survey of investment consultant fees for funds that are similar in asset size and scope to this Fund. He noted that the fee survey does not compare the complexity of programs being managed. (Attachment #4)

There were various discussions and the Board felt comfortable that AndCo's proposed all-inclusive fee of \$125,000 annually, for the next two years, was reasonable for the quality of service that is being provided. The Board instructed Attorney Kaufman to draft an addendum to AndCo's contract for approval at the next board meeting.

Regarding the need to issue a request for proposal for investment consulting services, the Board took no action but agreed to review a request again in two years.

Trustee Nicholas arrived at 8:53 AM.

Memorandum dated August 15, 2022, from Saxena White, regarding Coinbase Global, Inc.

Attorney Kaufman provided memorandum dated August 15, 2022, regarding a securities fraud litigation case against Coinbase Global, Inc. (Attachment #5)

The Action concerns Coinbase's lack of transparency about the nature of its assets with investors. First, the Action alleges that Coinbase misrepresented and failed to disclose that it custodially held crypto assets on behalf of its customers that the Company knew or recklessly disregarded could qualify as the property of a bankruptcy estate, making those assets potentially subject to bankruptcy proceedings in which Coinbase's customers would be treated as the Company's general unsecured creditors.

Second, the Action alleges that Coinbase allowed Americans to trade digital assets that Coinbase knew or recklessly disregarded should have been registered as securities with the U.S. Securities and Exchange Commission (the "SEC") – a practice that subjected the Company to a heightened risk of regulatory and governmental scrutiny and enforcement action. In addition, the Action alleges that the Company's registration materials for its direct listing failed to disclose intended sales of Coinbase securities by pre-direct listing holders.

Attorney Kaufman advised that the Fund has sustained a material loss of more than \$585,000 on its purchases of Coinbase stock. He recommended that the Board take an active role in the litigation and prosecute the case on behalf of the entire class of shareholders. If the Board is not appointed as lead plaintiff, the Board would participate in any recovery as a passive class member.

After various discussions, the Board agreed that the loss was substantial and that there was a good chance of recovery.

Trustee Johnson made a motion to give Saxena White the authority to file for lead plaintiff in this case against Coinbase Global, Inc. The motion was seconded by Trustee Cardeno and unanimously carried.

**GCM GROSVENOR
SEAN J. CONROY – MANAGING DIRECTOR
DAVID RICHTER, CPA – MANAGING DIRECTOR**

Investment Performance Review

Sean Conroy and David Richter discussed in detail the Grosvenor Institutional Partners Fund of Funds for the Fire and Police Pension Hedge Fund portfolio as of July 31, 2022.

**ANDCO CONSULTING
BRENDON VAVRICA, CFP – CONSULTANT**

Memorandum dated September 15, 2022, regarding Private Equity Presentations

Brendon Vavrica presented memorandum dated September 15, 2022, summarizing the Board's initial target to private equity of \$25,000,000. As requested by the Board in June 2022, he introduced the following managers: (Attachment #6)

Private Equity Managers

- 1. HarbourVest Partners, LLC**
 - a. Fran Peters, CFA, CAIA, Managing Director, Investor Relations**
 - b. Michael Pugatch, Managing Director, Secondary Investments**
- 2. 50 South Capital Advisors, LLC**
 - a. Ashley Alson, Senior Vice President, Northern Trust Asset Management**
 - b. Michael Marderosian, Senior Vice President**
 - c. Bob Morgan, Managing Director**

Upon conclusion of the presentations, Mr. Vavrica recapped that previously the Board agreed that the blended approach of both buyouts and secondaries is the right combination for the Fund. There were various discussions regarding how much money to allocate to each manager.

Based on AndCo's original recommendation, Trustee Carpenter made a motion for a first-year private equity commitment of \$25,000,000 to be funded from equities and allocated as follows:

- \$10,000,000 to HarbourVest Partners, LLC – Dover Street XI L.P.
- \$15,000,000 to 50 South Capital Advisors, LLC – Private Equity Core Fund X, L.P.

The motion was seconded by Trustee Feldman. Trustee Johnson remarked that he would like to secure the 50 South management fee reduction for all aggregated AndCo client commitment amounts of \$20,000,000 or greater. Mr. Vavrica suggested that the motion can be amended to require a minimum of \$5,000,000 in additional commitments coming from AndCo's clients, which when combined with the Board's \$15,000,000 commitment, would secure the fee reduction.

Trustee Carpenter amended the motion to include that the Board's \$15,000,000 commitment to 50 South Capital Advisors, LLC was contingent upon at least \$5,000,000 in additional commitments coming from AndCo's clients to reach a total aggregated AndCo client commitment of at least \$20,000,000. The amended motion was seconded by Trustee Feldman and unanimously carried.

EMAIL DATED SEPTEMBER 8, 2022, FROM TRUSTEE PAUL JOHNSON REGARDING THE TRAVEL POLICY FOR PERSONAL VEHICLE MILEAGE REIMBURSEMENT

Trustee Johnson explained that the current travel policy for personal vehicle mileage reimbursement follows Florida Statute 112.061(7)(d)1. The State has not updated the rate referenced in the statute for at least the past 10 years. Since the City of Miami Beach follows the IRS index for standard mileage reimbursement, Trustee Johnson asked the Board to consider updating the travel policy to follow the IRS index as well.

Trustee Carpenter made a motion to change the travel policy for personal vehicle mileage reimbursement to follow the IRS standard mileage reimbursement rate. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #7)

PROPOSED ADMINISTRATIVE BUDGET 10/01/22 – 09/30/23

The Director presented the Proposed Administrative Budget for Fiscal Year 10/01/22 – 09/30/23. (Attachment #8)

There were various discussions regarding the increase to the investment manager fees. The Director explained that the increase is mainly due to a projected rebound from the existing money manager platform. Additionally, the Director acknowledges she is unfamiliar with how the timing and fee processing for the new managers will affect the cash budget. Therefore, she included estimated fees for the three new real estate strategies, two new private equity strategies, and the new money market fund in the cash budget.

The Board expressed a desire to receive a detailed monthly report in addition to the Administrative Budget in order to closely monitor the management fees being incurred by the Fund. The Director agreed to provide a monthly report of all fees being charged by each of the Fund's investment managers. Mr. Vavrica stated that AndCo can also track the progress of returns as well as fees being paid for the new strategies and provide a monthly report.

Trustee Carpenter made a motion to approve the proposed administrative budget for 2022-2023. The motion was seconded by Trustee Johnson and unanimously carried.

DIRECTOR'S REPORT

Director Brito confirmed that pursuant to the Board's instructions from the August board meeting, the Vanguard Total Stock Market Index Fund has been opened and funded with \$12,000,000. The J.P. Morgan real estate redemptions have been scheduled for the 3Q2022 tranche.

Update on disability application received from Police Officer Robert Mitchell

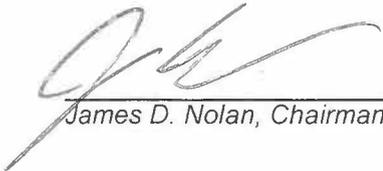
Director Brito advised that Police Officer Robert Mitchell has seen all three medical board doctors. Pending receipt of the medical board opinion letter, his disability hearing may be scheduled for the October 20, 2022, board meeting.

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

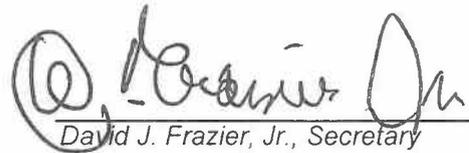
A. Administrative Budget

ADJOURNMENT

Trustee Cardeno made a motion to adjourn the meeting. The motion was seconded by Trustee Carpenter and unanimously carried. The meeting was adjourned at 12:14 PM.



James D. Nolan, Chairman



David J. Frazier, Jr., Secretary