

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

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

**November 17, 2022**

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

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

**948<sup>TH</sup> MEETING OF THE BOARD OF TRUSTEES  
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS  
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**CALL TO ORDER**

Meeting was called to order at 8:43 AM by Acting Chairman Frazier.

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

FIRE DEPARTMENT

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

POLICE DEPARTMENT

Daniel D. Molina

ADMINISTRATION

Hernan D. Cardeno  
Eric T. Carpenter  
Tameka Otto Stewart

Absent were:

Steven L. Feldman - Police Department  
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:

Kimberly Cherena - Court Reporter  
Robert K. Maddock - Senior Vice President, Inverness Counsel, LLC  
Robert K. Mitchell - Police Officer, City of Miami Beach  
Tonya A. Oliver, Esq. - Oliver & Fox P.A. – Counsel for Robert K. Mitchell  
Adrian Sancho - Senior Vice President, Inverness Counsel, LLC  
Brendon Vavrica, CFP - Consultant, AndCo Consulting

**MINUTES**

**Regular Meeting of the Board of Trustees – September 15, 2022**

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

**LUMP SUM REFUND**

Trustee Molina made a motion to add the lump sum refund for former Police Officer Jordan V. Rodriguez to the agenda. The motion was seconded by Trustee Carpenter and unanimously carried.

Former Police Officer Jordan V. Rodriguez's last day of work was August 7, 2021. She had less than 5 years of pension service time, so she was not vested. Ms. Rodriguez requested a lump sum refund of her employee contributions with interest.

Trustee Johnson made a motion to approve the lump sum refund of employee contributions with interest to Jordan V. Rodriguez. The motion was seconded by Trustee Molina and unanimously carried. (Attachment 1-1 Schedule A)

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

Police Officer Katrina L. Lugo-Martinez resigned with vested rights on September 12, 2021. Officer Lugo-Martinez had 16 years and 4 months of pension service time. Officer Lugo-Martinez will be eligible for pension benefits at age 50 on November 30, 2032.

**DECEASED**

Retired Fire Captain David D. De Grange passed away on October 15, 2022. His pension has been discontinued as there are no beneficiaries under the Plan.

Retired Firefighter Alvin B. Anderson passed away on October 22, 2022. His pension has been discontinued as there are no beneficiaries under the Plan.

Trustee Johnson made a motion to stop the monthly pension for David D. De Grange and Alvin B. Anderson. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #1-1 Schedule A)

Retired Police Officer James P. Burnette passed away on October 29, 2022. Widow Elizabeth M. Newland 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 Elizabeth M. Newland. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

**FINANCIAL REPORT FOR OCTOBER 2022**

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

Director Brito advised that since the October 2022 board meeting had to be cancelled, Financial Warrants #5198-5205 have to be ratified for October 2022.

Trustee Carpenter made a motion to approve the ratification of Warrants #5198-5205. The motion was seconded by Trustee Molina and unanimously carried. (Attachment #1, October 2022)

**FINANCIAL REPORT FOR NOVEMBER 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 Cardeno and unanimously carried. (Attachment #1, November 2022)

**BUYBACKS COVERING THE PERIOD OF SEPTEMBER 16, 2022, THROUGH NOVEMBER 17, 2022**

The following buyback schedules included in the agenda packet were processed from September 16, 2022, through November 17, 2022:

- Buybacks of pre-employment military time
- Buybacks of probationary service time with interest at 3%

Trustee Molina made a motion to approve the buybacks shown on the schedules. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #2)

## **COUNSEL**

### **AndCo Consulting, LLC – Contract Amendment**

Attorney Kaufman presented Amendment 3 to the AndCo Consulting, LLC Agreement for pension consulting services dated October 1, 2022, which includes the following changes:

- All-inclusive flat fee of \$125,000.00, annually, guaranteed for two years

Trustee Johnson made a motion to adopt Amendment 3 as presented, effective October 1, 2022. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #3)

### **Memorandum dated November 2022 regarding Public Safety Officer Support Act of 2022**

Attorney Kaufman presented KKJL's memorandum dated November 2022, for informational purposes regarding federal program "Public Safety Officer Support Act of 2022." (Attachment #4)

The Act directs the Public Safety Officers' Benefit program to label disabilities from PTSD and acute stress disorders resulting from exposure to qualifying traumatic events as work-related injuries. This line-of-duty designation also extends to those public safety officers who become permanently disabled as a result of attempted suicide.

Additionally, the Act allows for surviving families of those public safety officers who die as a result of trauma induced suicide to apply for PSOB death benefits by designating suicides as line-of-duty deaths in qualifying circumstances where there is evidence that PTSD or acute stress disorder was the cause of bodily injury.

### **Memorandum dated November 2022 regarding SEC Proxy Voting Disclosure Rules**

Attorney Kaufman advised that on November 2, 2022, the Securities and Exchange Commission (SEC) adopted a rule to make the proxy voting of mutual funds, ETFs and other registered investments companies more transparent to investors. This will allow investors to better understand and analyze how their funds and managers are voting on shares held on their behalf. (Attachment #5)

### **Memorandum dated November 2022 regarding Delaware Law Change Permits Companies to Insulate Corporate Officers from Liability for Reckless Conduct**

A Delaware law change may affect the Fund's ability to collect from companies that have acted recklessly in managing investments. Delaware Statutes Section 102(b)(7) has been amended to eliminate or limit the personal liability of the corporation's officers for monetary damages. To make the changes, companies will need to revise their charters which will require a vote of the shareholders. (Attachment #6)

KKJL recommends that the Fund does not support extending exculpation and immunity from personal financial liability to corporate officers. Attorney Kaufman will prepare detailed instructions for each individual investment manager that votes proxies on the Board's behalf, recommending that they vote against any proposed charter amendments seeking to provide such immunity.

**INFORMAL SERVICE CONNECTED DISABILITY HEARING**

**Police Officer Robert K. Mitchell – represented by Tonya A. Oliver, Esquire**

Attorney Kaufman explained that the three criteria to consider for this disability are: (1) total, (2) permanent, and (3) service-connected. In this case, the City of Miami Beach has terminated Officer Mitchell based upon his inability to perform the essential functions of the Police Officer job specification. Therefore, under Florida Law, the total criterion has been proven. The issue before the Board is to determine whether or not this disability is permanent and service-connected.

Attorney Tonya A. Oliver, Counsel for Robert K. Mitchell, stated that while on duty on March 15, 2021, Officer Mitchell was struck by a suspect, fell, and injured his right wrist. He underwent surgery, required extensive physical therapy, injections, and medication. He also sustained lower back injuries and minor head trauma. Officer Mitchell later included a diagnosis of the cardiac condition of atrial fibrillation. Officer Mitchell's pre-employment physical showed no evidence of pre-existing heart disease or hypertension. Therefore, he qualifies for the job-related "Heart Bill" presumption. All of his injuries were incurred in the line of duty; thus, the service-connected criterion has been met.

Officer Mitchell was terminated from his position as a Police Officer on July 29, 2022, in accordance with City of Miami Beach Personnel Rule X, Separations, Section 2 Removals (b) six: "Has contracted some mental or physical ailment or defect which incapacitates him for usefulness in the City service." Therefore, the total criterion has been met.

The Medical Board's opinion indicates that Officer Mitchell's impairments are service-connected, and his conditions are permanent but non total as he can perform some aspects of police work.

A video of the March 15, 2021, altercation was viewed by the Board.

Based on these findings, Attorney Oliver requested that the Board award Officer Mitchell a service-connected, total, and permanent disability.

After considering all of the evidence, including the disability evaluation provided by the Medical Board, and the law applicable to the case, Trustee Johnson made a motion to grant Robert K. Mitchell a total, permanent and service-connected disability. The motion was seconded by Trustee Nicholas. Roll was called.

Trustee Cardeno	Yes
Trustee Carpenter	Yes
Trustee Feldman	Absent
Secretary Frazier	Yes
Trustee Johnson	Yes
Trustee Molina	Yes
Trustee Nicholas	Yes
Chairman Nolan	Absent
Trustee Otto-Stewart	Yes

The motion unanimously carried. Accordingly, Officer Mitchell's service-connected disability was granted based upon all three criteria being present.

The Director advised that Officer Mitchell purchased the 6% additional multiplier buyback in the amount of \$21,512.75 during the buyback window from July 1, 2021, through September 30, 2021. The Plan Document states that "in the event the member separates from employment after purchase of such Creditable Service but prior to attaining ten (10) years of Creditable Service based solely on City employment, the member shall be reimbursed amounts contributed pursuant to this subsection (e)." Officer

*Mitchell was employed for 8 years and 6 months; therefore, he is entitled to the reimbursement to his 6% additional multiplier buyback.*

*Trustee Nicholas made a motion to approve the lump sum refund of Officer Mitchell's 6% additional multiplier buyback. The motion was seconded by Trustee Molina and unanimously carried.*

*The Board thanked Officer Mitchell for his service to the City of Miami Beach.*

**INVERNESS COUNSEL, LLC  
ROBERT K. MADDOCK – SENIOR VICE PRESIDENT  
ADRIAN SANCHO – SENIOR VICE PRESIDENT**

**Portfolio Review**

*Robert Maddock and Adrian Sancho reviewed in detail the Investment Commentary of the Fire and Police large cap core and fixed income portfolio as of September 30, 2022.*

**ANDCO CONSULTING  
BRENDON VAVRICA – CONSULTANT**

**Investment Performance Review**

*Brendon Vavrica provided the Investment Performance Review for the period ending September 30, 2022. In summary, the Fund's total fiscal year to date net return is -12.04% (October 1, 2021, through September 30, 2022).*

*Inverness Counsel S&P 500 - Period beginning 01/01/2000 and ending 09/30/2022*

*Inverness equity had an annualized return from inception of 7.15% compared to the S&P 500 Index of 6.00%. As of 09/30/2022, the ending value of the Inverness equity portfolio including \$7,341,000 in cash equivalent was \$166,720,000.*

*Wellington Management Company Small Cap - Period beginning 07/01/1999 and ending 09/30/2022*

*Wellington equity had an annualized return from inception of 10.63% compared to the Russell 2000 Index of 7.12%. As of 09/30/2022, the ending value of the Wellington portfolio was \$98,297,000.*

*Logan Capital Management Large Cap Growth - Period beginning 04/01/2007 and ending 09/30/2022*

*Logan equity had an annualized return from inception of 9.25% compared to the Russell 1000 Growth Index of 10.52%. As of 09/30/2022, the ending value of the Logan portfolio including \$1,614,000 in cash equivalent was \$64,825,000.*

*RhumbLine Advisers Large Cap Value - Period beginning 01/01/2017 and ending 09/30/2022*

*RhumbLine equity index fund had an annualized return from inception of 5.94% compared to the Russell 1000 Value Index of 5.98%. As of 09/30/2022, the ending value of the RhumbLine portfolio was \$58,214,000.*

RhumbLine Advisers Mid Cap - Period beginning 07/01/1997 and ending 09/30/2022

RhumbLine equity index fund had an annualized return from inception of 9.93% compared to the S&P MidCap 400 Index of 9.93%. As of 09/30/2022, the ending value of the RhumbLine portfolio including \$317,000 in cash equivalent was \$87,740,000.

RhumbLine Advisers International Equity - Period beginning 01/01/2016 and ending 09/30/2022

RhumbLine international equity index fund had an annualized return from inception of 2.45% compared to the MSCI EAFE Index of 2.75%. As of 09/30/2022, the ending value of the RhumbLine portfolio was \$47,469,000.

J.P. Morgan Asset Management Real Estate - Period beginning 10/01/2007 and ending 09/30/2022

J.P. Morgan real estate, Strategic Property Fund (SPF), had an annualized return from inception of 6.39% compared to the NCREIF Index-Open End Diversified Core of 6.80%. As of 09/30/2022, the ending value of the portfolio was \$65,016,000.

J.P. Morgan Asset Management Real Estate - Period beginning 01/01/2021 and ending 09/30/2022

J.P. Morgan real estate, Special Situation Property Fund (SSPF), had an annualized return from inception of 17.39% compared to the NCREIF Index-Open End Diversified Core of 21.30%. As of 09/30/2022, the ending value of the portfolio was \$67,063,000.

Intercontinental Real Estate - Period beginning 04/01/2018 and ending 09/30/2022

Intercontinental real estate had an annualized return from inception of 11.00% compared to the NCREIF Index-Open End Diversified Core of 11.02%. As of 09/30/2022, the ending value of the Intercontinental portfolio was \$69,544,000.

Allspring Global Investments International Bond - Period beginning 10/01/2011 and ending 09/30/2022

Allspring international bonds had an annualized return from inception of -2.16% compared to the FTSE Non-U.S. World Government Bond Index of -2.54%. As of 09/30/2022, the ending value of the Allspring portfolio was \$38,491,000.

Inverness Counsel Fixed Income - Period beginning 10/01/1990 and ending 09/30/2022

Inverness fixed income had an annualized return from inception of 5.36% compared to the ½ BBGIC and ½ BBGC Index of 4.95%. As of 09/30/2022, the ending value of the Inverness fixed income portfolio including \$1,698,000 in cash equivalent was \$151,659,000; and the ending value of Inverness' cash was \$2,760,000.

Tocqueville Asset Management Fixed Income - Period beginning 11/01/2020 and ending 09/30/2022

Tocqueville fixed income had an annualized return from inception of -5.75% compared to the ½ BBGIC and ½ BBGC Index of -6.94%. As of 09/30/2022, the ending value of the Tocqueville fixed income portfolio including \$726,000 in cash equivalent was \$44,505,000.

Grosvenor Institutional Partners, L.P. - Period beginning 11/01/2020 and ending 09/30/2022

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 3.89% compared to the 90 day T-Bill + 5.0% Index of 5.37%. As of 09/30/2022, the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$10,758,000.

Vanguard Total Stock Market (VTSAX) - Period beginning 09/01/2022 and ending 09/30/2022

Vanguard Total Stock Market had an annualized return from inception of -9.27% compared to the CRSP U.S. Total Market TR Index of -9.27%. As of 09/30/2022, the ending value of the Vanguard Total Stock Market (VTSAX) fund was \$10,887,000.

TOTAL FUND: Allspring / Grosvenor / Intercontinental / Inverness / J.P. Morgan / Logan / RhumbLine / Tocqueville / Vanguard / Wellington

As of 09/30/2022, the ending value of the Fund was \$983,949,000. Of the \$983,949,000, the cash equivalent portion of the Fund was 1.47% or \$14,456,000. The results for the 12-month period ending 09/30/2022 show that the Fund's net return of -12.04%, underperformed the benchmark indices of -10.54%.

During this 12-month period:

- Allspring underperformed the FTSE Non-U.S. World Government Bond Index
- Grosvenor significantly underperformed the 90 day T-Bill +5% Index
- Intercontinental slightly underperformed the NCREIF Fund Index-Open End Diversified Core
- Inverness slightly underperformed the S&P 500 Index
- Inverness outperformed the Index composed of ½ BBGIC and ½ BBGC
- JP Morgan's SPF significantly underperformed the NCREIF Index-Open End Diversified Core
- JP Morgan's SSPF significantly underperformed the NCREIF Index-Open End Diversified Core
- Logan significantly underperformed the Russell 1000 Growth Index
- RhumbLine slightly underperformed the S&P Mid Cap 400 Index
- RhumbLine slightly outperformed the Russell 1000 Value Index
- RhumbLine matched the MSCI EAFE Index
- Tocqueville outperformed the Index composed of ½ BBGIC and ½ BBGC
- Wellington outperformed the Russell 2000 Index

**Quarterly DROP Review**

Mr. Vavrica provided a review of the Voya and Nationwide DROP investment options for the period ending September 30, 2022. He commented on a few funds that are being closely monitored but does not recommend any changes at this time.

**2023 Money Managers Schedule**

Mr. Vavrica presented the 2023 money managers' schedule. (Attachment #7)

**DIRECTOR'S REPORT**

**Request for amendment of Pension Ordinance by plan sponsor for Section 62: Definitions of Actuarial Assumptions (for the calculation of optional forms of benefits); and Section 76: Board of Trustees**

The Director advised that on November 7, 2022, she made a request to the plan sponsor to amend the Pension Ordinance for the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach to include the following: (Attachment #8)



1. Section 62: Definitions of Actuarial Assumptions (for the calculation of optional forms of benefits), pursuant to a motion approved at the May 21, 2020, board meeting.
2. Section 76: Board of Trustees. To amend the Board of Trustees' term from 2 years to 3 years and to stagger elections annually pursuant to a motion approved at the August 18, 2022, board meeting.

**NCPERS 2023 Legislative Conference, January 22 – 24, 2023, Washington, DC**

Trustee Carpenter made a motion to allow any Trustee to attend the NCPERS 2023 Legislative Conference, January 22 – 24, 2023, in Washington, DC, and to extend an extra day for private meetings with state representatives. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #9)

**Annual Required Contributions**

The Director confirmed that the City's required contribution of \$45,231,904 and the Share Plan's required combined contribution of \$120,549 for FY 2022-2023 have been received.

**2022 Affidavits**

Director Brito mentioned that the 2022 affidavits have been mailed to the retirees and beneficiaries. If the executed affidavits are not received by December 30, 2022, the pension benefit for January 2023 will be held in abeyance.

The Director advised that during the affidavit process, it was identified that retired Firefighter John Geary could not be contacted. Attorney Kaufman advised to stop Mr. Geary's November pension benefit until it can be proven that he is alive and well.

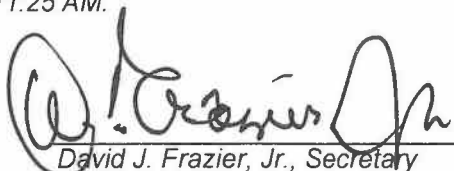
For the Board's information, the following items were distributed as either part of the Agenda or meeting packet:

- A. 2023 Schedule of Board Meeting dates (Attachment #10)
- B. 51<sup>st</sup> Annual Police Officers' & Firefighters' Pension Conference, December 13 – 15, 2022, Orlando, FL
- C. FPPTA Winter Trustee School, January 29 – February 1, 2023, Orlando, FL
- D. Administrative Budget
- E. Investment Expenses Fiscal Year vs. Budget

**ADJOURNMENT**

Trustee Cardeno made a motion to adjourn the meeting. The motion was seconded by Trustee Nicholas and unanimously carried. The meeting was adjourned at 11:25 AM.

  
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James D. Nolan, Chairman

  
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David J. Frazier, Jr., Secretary