

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

949TH BOARD OF TRUSTEES MEETING

January 19, 2023

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

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

**949TH 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 8:32 AM by Chairman Nolan.

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

Steven L. Feldman
Daniel D. Molina
James D. Nolan

ADMINISTRATION

Hernan D. Cardeno
Eric T. Carpenter
Tameka Otto Stewart

Present were:

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

Also present were:

Kathleen Hurley	- Executive Director, Client Advisor, J.P. Morgan Asset Management
Matt Jaffe	- Real Estate Specialist, J.P. Morgan Asset Management
Eric J. Leventhal, CPA, CVA	- Partner; Kabat, Schertzer, De La Torre, Taraboulos & Co. (KSDT)

MINUTES

Regular Meeting of the Board of Trustees – November 17, 2022

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 Trustee Carpenter and unanimously carried.

DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY

Fire Captain Mark S. Schwartz retired under the DROP program effective December 1, 2022, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Captain Schwartz had 20 years and 3 months of pension service and met the eligibility for retirement by Tier 1 and attainment of age 50. In addition, Captain Schwartz purchased the 6% multiplier.

Secretary Frazier made a motion to approve the pension service retirement for Captain Schwartz and grant entry into the Deferred Retirement Option Plan (DROP). The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #1-1 Schedule A)

COMMENCEMENT OF PENSION

Police Sergeant Mark Schoenfeld, who was retired under the DROP program, resigned from City employment effective November 30, 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 Sergeant Schoenfeld. The motion was seconded by Chairman Nolan and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

It was previously identified during the annual affidavit process that retired Firefighter John P. Geary could not be contacted. Attorney Kaufman advised to temporarily stop Mr. Geary's pension benefit until it could be proven that he was alive and well. Recently, the pension office staff obtained a death certificate confirming that Mr. Geary passed away on July 28, 2022. As a result, his pension benefit has been permanently discontinued as of November 1, 2022, as there are no beneficiaries under the Plan. The Director and Attorney Kaufman will endeavor to recover an overpayment of \$12,041.98 from Mr. Geary's estate.

Retired Assistant Chief of Police Jack L. Webb passed away on November 2, 2022. His pension has been discontinued as of December 1, 2022, as there are no beneficiaries under the Plan.

Retired Firefighter Edward W. Walker passed away on November 23, 2022. His pension has been discontinued as of December 1, 2022, as there are no beneficiaries under the Plan.

Secretary Frazier made a motion to stop the monthly pension for John P. Geary, Jack L. Webb and Edward W. Walker. The motion was seconded by Trustee Feldman and unanimously carried. (Attachment #1-1 Schedule A)

LUMP SUM REFUND

Former Police Officer LaShae S. Dent's last day of work was October 20, 2022. She was a vested member who requested a lump sum refund of her employee contributions with interest.

The Director stated that she always tries to talk a member out of withdrawing their employee contributions if they have a vested right because that member would be giving up a very valuable monthly benefit, in addition to cost of living and beneficiary benefits.

Former Police Officer Leonardo H. Tamayo's last day of work was September 15, 2022. He had less than 5 years of pension service time, so he was not vested. Mr. Tamayo requested a lump sum refund of his employee contributions with interest.

Trustee Feldman made a motion to approve the lump sum refund of employee contributions with interest to LaShae S. Dent and Leonardo H. Tamayo. The motion was seconded by Secretary Frazier and unanimously carried. (Attachment 1-1 Schedule A)

FINANCIAL REPORT FOR DECEMBER 2022

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

Director Brito advised that since the December 2022 board meeting was cancelled, Financial Warrants #5214-5220 have to be ratified for December 2022.

Secretary Frazier made a motion to approve the ratification of Warrants #5214-5220. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1, December 2022)

FINANCIAL REPORT FOR JANUARY 2023

The Director advised that two additional invoices were received after the Warrants file was emailed on Tuesday, January 17, 2023; therefore, Warrant #5229 is being added for approval.

Secretary Frazier made a motion to accept the Financial Warrants as presented during the meeting. The motion was seconded by Chairman Nolan and unanimously carried. (Attachment #1, January 2023)

COUNSEL

Memorandum dated January 5, 2023, regarding the SECURE 2.0 Act

Attorney Kaufman discussed KKJL's memorandum dated January 5, 2023, regarding the SECURE 2.0 Act, which aims to improve retirement savings opportunities for workers. The memo highlights important amendments relevant to public safety officers and governmental plans and provides a section-by-section breakdown of all provisions of the SECURE 2.0 Act. (Attachment #2)

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & CO. (KSDT) ERIC J. LEVENTHAL, CPA, CVA – PARTNER

Presentation of Draft Financial Statements – September 30, 2022 Management Representation Letter

Eric Leventhal presented the tentative audited Financial Statement as of September 30, 2022. In connection with the audit, as evidenced by the report, Mr. Leventhal indicated that KSDT has rendered an unmodified opinion that the financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Mr. Leventhal discussed in detail the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position and the Schedule of Investment and Administrative Expenses for the period ending September 30, 2022.

Mr. Leventhal reviewed the Compliance and Other Matters Report stating that KSDT was not specifically engaged to look at the effectiveness of internal control nor to give an opinion on the effectiveness of internal control. However, if during the course of the audit KSDT would have found anything of concern regarding internal control, they would have been required to share that information with the Board. Given these limitations, he reported that:

- There were no identifiable deficiencies in internal control that were considered to be material weaknesses.*
- There were no significant difficulties encountered in performing the audit.*
- The testing results disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.*

Secretary Frazier made a motion to approve the audited Financial Statements for the year ending September 30, 2022, and to authorize the Chairman and the Director to execute and deliver the management representation letter. The motion was seconded by Trustee Johnson and unanimously carried. (Attachments #3 and #4)

**J.P. MORGAN ASSET MANAGEMENT
KATHLEEN HURLEY – EXECUTIVE DIRECTOR, CLIENT ADVISOR
MATT JAFFE – REAL ESTATE SPECIALIST**

Portfolio Review

Kathleen Hurley and Matt Jaffe reviewed in detail the Fire and Police Pension J.P. Morgan Asset Management Real Estate Portfolio, consisting of the Strategic Property Fund (SPF) and the Special Situation Property Fund (SSPF), as of September 30, 2022. There was a brief discussion on how J.P. Morgan creates liquidity to fulfill investors' redemption requests.

DIRECTOR'S REPORT

Discussion on setting guidelines for the upcoming 2023 election of one Trustee elected to a 2-year term, one Trustee elected to a 3-year term, and one Trustee elected to a 4-year term

Pursuant to a motion approved at the August 18, 2022, board meeting, the Director advised that the Board needs to determine the process in which the first year election will start the staggered election cycle by one Trustee serving a 2-year term, one Trustee serving a 3-year term, and one Trustee serving a 4-year term, until ultimately all Trustees are serving staggered 3-year terms.

Attorney Kaufman advised that the Board has full discretion for determining the election rules.

After various discussions, the Board decided that in accordance with the existing election process, the active and retired members of the pension system are eligible to vote for three candidates representing their respective department. The candidate receiving the highest number of votes will have first choice of selecting the length of term they wish to serve. The candidate receiving the second highest number of votes will have the next choice of selecting the length of term they wish to serve. The candidate receiving the third highest number of votes will serve the remaining term.

If no election is required, the existing Trustees will decide among themselves who will serve a 2-year term, a 3-year term and a 4-year term. If an agreement cannot be reached, a drawing will be held and the Trustee drawing the highest number will have first choice of selecting the length of term they wish to serve. The Trustee drawing the second highest number will have the next choice of selecting the length of term they wish to serve. The Trustee drawing the third highest number will serve the remaining term.

Review of Travel Policy

Trustee Carpenter made a motion to postpone the travel policy item to a future board meeting. The motion was seconded by Trustee Feldman and unanimously carried.

Investment Education Symposium (LATEC), New Orleans, LA, February 15 – 17, 2023

Trustee Johnson made a motion to allow any Trustee to attend the Investment Education Symposium (LATEC), in New Orleans, LA, on February 15 – 17, 2023. Registration is complimentary and the Fund will cover travel costs. The motion was seconded by Trustee Cardeno and unanimously carried. (Attachment #5)

2022 Affidavits

Director Brito reported that the 2022 affidavits for retiree Gary J. Miano and Angel L. Medina, Jr. have not been received to date. Therefore, their pension benefits for January 2023 will be stopped.

2022 Form 1099-R

The Director commented that the Form 1099-Rs have been printed and were mailed on January 18, 2023.

Budget Advisory Committee Meeting – February 14, 2023

Director Brito stated that the Budget Advisory Committee (BAC) would once again like to have the pension administrators from the Fire and Police Pension and the General Employees' Pension attend their next meeting on February 14, 2023. A standing motion allows the Director to invite a representative from both Gabriel Roeder Smith & Company and AndCo Consulting to also attend the meeting and to be compensated at their respective hourly rates.

Office Soundproofing

The Director advised that adjoining suite #360 was recently renovated, and a new tenant has moved in. It was immediately noticeable that there was no soundproofing between the offices. The lack of soundproofing compromises the confidentiality of the Director's office and causes a distracting work environment.

The building manager advised that the offices were built to "Building Standards" and any cost to soundproof would have to be absorbed by the pension office. Attorney Kaufman reviewed the lease and agreed. The Director advised that this was an unexpected expense. She asked the Board to approve a cost to soundproof her office which could potentially make the administrative expenses exceed the budget by the end of the fiscal year.

There were various discussions and Secretary Frazier commented that confidentiality is important. He made a motion to allow the Director to proceed with corrective action. The motion was seconded by Chairman Nolan.

Trustee Johnson commented that the Director had been granted authority to make decisions affecting the administration of the pension office, and as such, is empowered to make that decision. The Board can decide at the end of the year if an adjustment to the administrative expenses budget is required. The Board agreed.

Secretary Frazier rescinded his motion.

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

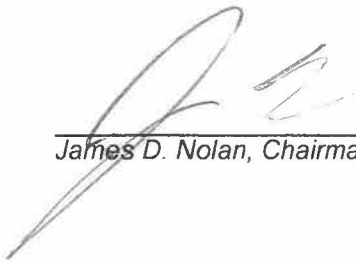
- A. Administrative Budget*
- B. Investment Expenses Fiscal Year vs. Budget*

ADJOURNMENT

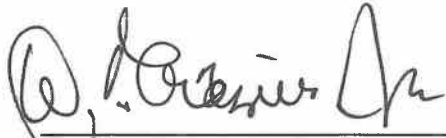
Secretary Frazier made a motion to adjourn the meeting. The motion was seconded by Trustee Cardeno.

Trustee Johnson shared his concern about how the Fund's rebalancing would be affected if J.P. Morgan's redemptions do not materialize as anticipated. He questioned whether J.P. Morgan could make a special arrangement to accommodate the Fund. Attorney Kaufman advised that a most-favored-nation clause is in effect to prevent preferential treatment towards an organization. Trustee Carpenter asked Attorney Kaufman to review the contract for references to redemptions and to share his findings in the next meeting. The Director agreed to share Trustee Johnson's concerns with AndCo Consulting.

The motion to adjourn unanimously carried. The meeting was adjourned at 10:40 AM.



James D. Nolan, Chairman



David J. Frazier, Jr., Secretary