

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

951ST BOARD OF TRUSTEES MEETING

April 20, 2023

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

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

**951ST MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

April 20, 2023

CALL TO ORDER

Meeting was called to order at 8:31 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

Steven L. Feldman
Daniel D. Molina

ADMINISTRATION

Hernan D. Cardeno
Eric T. Carpenter

Absent were:

James D. Nolan - Police Department
Tameka Otto Stewart - Administration

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:

Francois Betancourt - Fire Captain, City of Miami Beach
Shelly Jones - Consultant and Actuary, Gabriel Roeder Smith & Company
Nicolas Lahaye - Consultant and Actuary, Gabriel Roeder Smith & Company
Dann Smith - Director, Client Relations & Business Development, Allspring Global Investments
Lauren Van Biljon, CFA - Portfolio Manager, Allspring Global Fixed Income

MINUTES

Regular Meeting of the Board of Trustees – March 16, 2023

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

RETROACTIVE PENSION CHANGES

Director Brito advised that the following retroactive pension changes are being made to the original pension amounts due to the ratification of the Police Union contract effective October 1, 2021.

The April 2022 wage increase was taken into consideration for any Police Department member that entered the DROP between May 2022 and June 2022.

NAME OF MEMBER	DROP DATE OF RETIREMENT	MONTHLY INCREASE IN PENSION	RETROACTIVE ADJUSTMENT AMOUNT
Donald F. Anderson	06/01/22	16.07	160.70
Kendrick V. Brailsford	06/01/22	17.12	171.20
William J. Collado	05/01/22	17.42	191.62
Alberto R. Gutierrez	06/01/22	8.90	89.00
Paul A. Ozaeta	05/01/22	1.76	19.36

Trustee Johnson made a motion to approve the revised pensions and retroactive adjustments for Officer Anderson, Officer Brailsford, Officer Collado, Sergeant Gutierrez, and Lieutenant Ozaeta. The motion was seconded by Trustee Molina and unanimously carried. (Attachment #1-1 Schedule A)

The Director advised that additional Fire department and Police department adjustments will be processed in the upcoming months as the negotiated contract changes make their way through the City's Payroll department.

DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY

Police Officer Smith Orisme retired under the DROP program effective April 1, 2023, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Officer Orisme had 17 years 9 months of pension service and met the eligibility for retirement by Tier 1 and attainment of age 50.

Police Lieutenant Thomas M. Payne retired under the DROP program effective April 1, 2023, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Lieutenant Payne had 23 years 6 months of pension service and met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47. In addition, Lieutenant Payne purchased the 6% multiplier.

Police Officer Manuel Valdes retired under the DROP program effective April 1, 2023, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Officer Valdes had 18 years 10 months of pension service and met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47. In addition, Officer Valdes purchased 2 years of pre-employment public safety service time.

Trustee Feldman made a motion to approve the pension service retirement for Officer Orisme, Lieutenant Payne, and Officer Valdes and grant entry into the DROP. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #1-1 Schedule A)

DECEASED

Retired Police Officer William F. Guillem passed away on January 30, 2023. His pension has been discontinued as there are no beneficiaries under the Plan.

Retired Police Sergeant Sheldon L. Goldstein passed away on March 5, 2023. His pension has been discontinued as there are no beneficiaries under the Plan.

Trustee Feldman made a motion to stop the monthly pension for William F. Guillem and Sheldon L. Goldstein. The motion was seconded by Trustee Molina and unanimously carried. (Attachment #1-1 Schedule A)

Retired Firefighter Robert J. De Ogburn passed away on March 6, 2023. Widow Gwen De Ogburn 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.

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Trustee Feldman made a motion to approve the commencement of pension for Gwen De Ogburn. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #1-1 Schedule A)

Beneficiary Mickey W. Dworkin, widow of retired Police Captain Henry D. Dworkin, passed away on March 30, 2023. 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 Mickey W. Dworkin. The motion was seconded by Trustee Feldman and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR APRIL 2023

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)

BUYBACK COVERING THE PERIOD OF NOVEMBER 18, 2022, THROUGH APRIL 20, 2023

The following buyback schedule included in the agenda packet was processed from November 18, 2022, through April 20, 2023:

- Buyback of probationary service time with interest at 3%

Trustee Johnson made a motion to approve the buyback shown on the schedule. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #2)

COUNSEL

Update regarding Fire Captain Francois Betancourt's request to reduce his additional multiplier buyback from 6% to 3%

Last month, the Board deferred the matter regarding Captain Betancourt's request to reduce his additional multiplier buyback from 6% to 3% until further advice from Counsel. Attorney Klausner provided via email dated April 17, 2023, his affirmative opinion as follows:

"The enhanced benefit is a property right which belongs to the plan participant. Like any other property right, it is subject to renunciation. This case involves the common law doctrine of equitable renunciation. For a person to contest the effects of a benefit receivable under a trust, that member must first renounce his interest. This doctrine originated in English ecclesiastical (canon law) courts and has since been carried forward in the American common law. See, *Gossett v. Gossett*, 182 So.3d 694, 696 (Fla. 4th DCA 2015), relying on *Barnett National Bank v. Murrey*, 49 So.2d 535, 536-537 (Fla. 1950) and *Hamblett v. Hamblett*, 6 N.H. 333(1833)."

"Accordingly, it is our view the Board may approve the reclassification of Captain Betancourt's accrued benefit in accordance with the terms of this opinion."

Ms. Shelly Jones, who was in attendance, was asked if GRS would treat the value of a renounced enhanced benefit as either a direct credit against the unfunded accrued liability or as an additional city contribution. She replied that the value would be treated as a credit against the unfunded accrued liability. Any change would be taken into consideration during the next actuarial valuation when the liabilities are adjusted, re-evaluated, and factored in. In her opinion, the impact would not be material.

Attorney Kaufman emphasized that this request sets a precedent, and all related issues in the future will be treated the same.

After various discussions, Trustee Johnson made a motion to approve Captain Betancourt's request to reduce his additional multiplier buyback from 6% to 3% in accordance with the terms outlined under Counsel's opinion. Captain Betancourt must provide a written statement that he knowingly and voluntarily renounces and relinquishes any rights to his 3% enhanced benefit and accumulated leave. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #3)

Update regarding lead plaintiff status against Coinbase Global, Inc.

In September 2022, Trustee Johnson made a motion to give Saxena White the authority to file for lead plaintiff in the case against Coinbase Global, Inc. The Fund sustained material losses of approximately \$585,000. Since there were material witnesses who sustained even greater losses, Kessler Topaz Meltzer & Check, LLP was selected as lead plaintiff. Therefore, the Fund will participate in the case as a passive class member. (Attachment #4)

Legislative Update

Attorney Kaufman explained that according to proposed House Bill 3 (HB 3), the Fund would not be able to base its investment decisions on environmental, social or governance (ESG) issues. Investment decisions would be made with the sole purpose of achieving the highest rate of return possible. As this is already within the purview of the Board's fiduciary responsibility, he does not anticipate that HB 3 will directly impact the Fund's current investments.

There were various discussions regarding making decisions based on risk and return associated with investments and not having to completely exclude ESG criteria.

GABRIEL ROEDER SMITH & COMPANY
SHELLY JONES, ASA, EA, FCA, MAAA – CONSULTANT AND ACTUARY
NICOLAS LAHAYE, FSA, EA, MAAA, FCA – CONSULTANT AND ACTUARY

Draft of 10/01/22 Actuarial Valuation – Discussion and possible action

Shelly Jones provided the draft of the Actuarial Valuation as of October 1, 2022.

In summary, the Actuarial Valuation develops the required minimum Retirement Fund payment under the Florida Protection of Public Employee Retirement Benefits Act and for Fire and Police Retirement Chapters 175 and 185. The minimum payment consists of payment of annual normal costs including amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum required contribution for fiscal year ending September 30, 2024, is \$57,306,336.

This total cost of \$57,306,336 is to be met by member, City and State (Share Plan) contributions. It is anticipated that member contributions will be \$7,433,329, the State (Share Plan) will contribute \$120,549 and the resulting minimum required City contribution will be \$49,752,458.

For informational purposes only, the minimum required City contribution without the Maximum Benefit Limitations under Internal Revenue Code (IRC 415) would have been approximately \$49,772,000. The net minimum required City contribution to the Fund was lowered by approximately \$20,000 due to the requirements of the IRC 415.

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Pursuant to a motion made at the March 16, 2023, board meeting, the investment return assumption has been lowered by 5 basis points from 7.40% down to 7.35%, net of investment expenses, compounded annually. In addition, the salary increase factors were adjusted to reflect the salary cost of living adjustments based on the most recent Collective Bargained Agreement.

After various discussions, Trustee Feldman made a motion to accept the Actuarial Valuation as of October 1, 2022, as presented. The motion was seconded by Trustee Johnson and unanimously carried. (Attachment #5)

ALLSPRING GLOBAL INVESTMENTS
DANN SMITH – DIRECTOR, CLIENT RELATIONS & BUSINESS DEVELOPMENT
ALLSPRING GLOBAL FIXED INCOME
LAUREN VAN BILJON, CFA – PORTFOLIO MANAGER

Portfolio Review

Dann Smith and Lauren Van Biljon reviewed in detail the Fire and Police Pension International Bond Fund Portfolio as of March 31, 2023.

NOTICE TO FILE AS A CANDIDATE FOR TRUSTEE

The Director provided the Notice to File as a Candidate for Trustee and advised that it was posted on March 22, 2023. The deadline to file was April 5, 2023. (Attachment #6)

BOARD OF TRUSTEES ELECTION RESULTS – TERM BEGINNING 07/01/2023

Notice of Election Results – Fire Department (Attachment #7)
Notice of Election Results – Police Department (Attachment #8)

Director Brito congratulated the Board of Trustees as everyone was re-elected by default. There were no challengers this year; therefore, an election was not required. In addition, the Director thanked the Trustees for so courteously selecting their staggered length of term.

Trustee Johnson made a motion to certify the Fire Department and Police Department election results commencing July 1, 2023. The motion was seconded by Trustee Molina and unanimously carried.

The following members have been elected as Trustees to the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach:

Fire Department:

David J. Frazier, Jr., serving a 2-year term ending June 30, 2025
Dwight M. Nicholas, serving a 3-year term ending June 30, 2026
Paul D. Johnson, serving a 4-year term ending June 30, 2027

Police Department:

James D. Nolan, serving a 2-year term ending June 30, 2025
Daniel D. Molina, serving a 3-year term ending June 30, 2026
Steven L. Feldman, serving a 4-year term ending June 30, 2027

DIRECTOR'S REPORT

Engagement letter from KSDT

The Director provided letter dated April 10, 2023, from KSDT, for engagement of their services for the Financial Statements year ending September 30, 2023. The letter has been reviewed by the Director and the Board's Attorney. The annual fee increased by 5% to \$27,575 plus travel and other out of pocket expenses if applicable (not to exceed \$125).

Trustee Johnson made a motion to approve the letter of engagement from KSDT as presented. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment #8)

2022 Annual State Report

The Director confirmed that the State's website was updated to accept a negative return on investments and the Annual State Report was successfully uploaded by April 17, 2023. A copy is available for the Board's review.

Update on the securities litigation case against HD Supply Holdings, Inc.

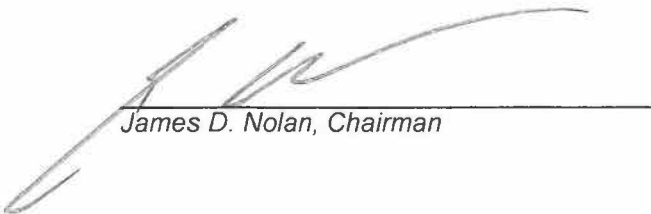
The Director advised that the Fund has received a lead plaintiff award of \$70,900 in this case. In addition, Saxena White praised Chairman Nolan for his extraordinary service during the deposition.

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

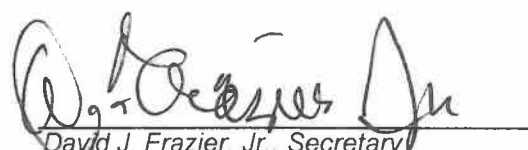
- A. FPPTA 39th Annual Conference, June 25 - 28, 2023, Orlando, FL (Attachment #9)
- B. Save The Date – BLB&G 2023 Forum for Institutional Investors, November 15 – 18, 2023, New York, NY (Attachment #10)
- C. Administrative Budget
- D. Investment Expenses Fiscal Year vs. Budget

ADJOURNMENT

Trustee Johnson made a motion to adjourn the meeting. The motion was seconded by Trustee Nicholas and unanimously carried. The meeting was adjourned at 11:17 AM.



James D. Nolan, Chairman



David J. Frazier, Jr., Secretary