

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

955TH BOARD OF TRUSTEES MEETING

September 21, 2023

*COPIES OF MINUTES ARE BEING
PROVIDED WITHOUT ATTACHMENTS.*

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

**955TH MEETING OF THE BOARD OF TRUSTEES
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF MIAMI BEACH**

September 21, 2023

CALL TO ORDER

Meeting was called to order at 8:33 AM by Chairman Johnson.

Board members present were as follows:

FIRE DEPARTMENT

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

POLICE DEPARTMENT

Daniel D. Molina
James D. Nolan

ADMINISTRATION

Hernan D. Cardeno
Eric T. Carpenter
Tameka Otto Stewart

Absent was:

Steven L. Feldman - Police Department

Present were:

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

Also present were:

Ashley Alson - 50 South Capital Advisors, LLC, Director
Kevin Campbell - Taurus Private Markets, LLC, Co-Founder & Managing General Partner
John Clark - Performance Equity Management, LLC, President, CFA & Co-Founder
Brad Dorchinecz - 50 South Capital Advisors, LLC, Co-Founder & Managing Director
Mark Eisner - Taurus Private Markets, LLC, Director, Business Development
Andrea Mulzet Borghoff - Neuberger Berman, LLC, Senior Vice President, North America Institutional
David Stonberg - Neuberger Berman, LLC, Deputy Head of NB Alternatives & Global Co-Head of Private Equity Co-Investments
Brendon Vavrica, CFP - AndCo Consulting, Consultant
Eric Wilcomes - Taurus Private Markets, LLC, Co-Founder & Managing General Partner

ELECTION OF SECRETARY FOR SEPTEMBER 21, 2023 – JUNE 30, 2025

Secretary Frazier nominated Trustee Molina for Secretary for the term commencing September 21, 2023. Trustee Molina declined the nomination due to other responsibilities and nominated Trustee Nolan. There was a motion to close nominations by Secretary Frazier. The motion was seconded by Trustee Carpenter and unanimously carried. There being no further nominations, Trustee Nolan was declared Secretary by acclamation.

MINUTES

Regular Meeting of the Board of Trustees – July 13, 2023

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

DEFERRED RETIREMENT OPTION PLAN (DROP) – APPROVAL OF ENTRY

Firefighter David B. Yocum, Jr., retired under the DROP program effective September 1, 2023, in accordance with the Miami Beach Code, Section 66(a) and Section 79. Firefighter Yocum had 21 years of pension service and met the eligibility for retirement by Tier 1, Rule of 70 and attainment of at least age 47. In addition, Firefighter Yocum purchased the 6% multiplier.

Trustee Nicholas made a motion to approve the pension service retirement for Firefighter Yocum and grant entry into the DROP. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1-1 Schedule A)

COMMENCEMENT OF PENSION

Police Officer Cheryl Mitchell-Perkins, who was retired under the DROP program, resigned from City employment effective August 16, 2023. She is eligible to commence her monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Frank T. Celestre, who was retired under the DROP program, resigned from City employment effective August 31, 2023. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Secretary Nolan made a motion to approve the commencement of pension for Officer Mitchell-Perkins and Officer Celestre. The motion was seconded by Trustee Molina and unanimously carried. (Attachment #1-1 Schedule A)

LUMP SUM REFUND

Former Firefighter Brianni V. Barroso's last day of work was April 26, 2019. As a Tier 4 member with less than 5 years of pension service time, she was not vested. Ms. Barroso requested a lump sum refund of her employee contributions with interest.

Former Police Officer Ernest A. Avellanet's last day of work was January 14, 2022. As a Tier 5 member with less than 10 years of pension service time, he was not vested. Mr. Avellanet requested a lump sum refund of his employee contributions with interest.

Former Police Officer Frederick A. Vasconcelos' last day of work was March 7, 2022. As a Tier 5 member with less than 10 years of pension service time, he was not vested. Mr. Vasconcelos requested a lump sum refund of his employee contributions with interest.

Former Police Officer Stephanie E. Capuzzo's last day of work was October 4, 2022. As a Tier 5 member with less than 10 years of pension service time, she was not vested. Ms. Capuzzo requested a lump sum refund of her employee contributions with interest.

Former Police Officer Daniel R. Taylor's last day of work was January 15, 2023. As a Tier 5 member with less than 10 years of pension service time, he was not vested. Mr. Taylor requested a lump sum refund of his employee contributions with interest.

Former Police Officer Terrence A. Butler's last day of work was July 8, 2023. As a Tier 4 member with less than 5 years of pension service time, he was not vested. Mr. Butler requested a lump sum refund of his employee contributions with interest.

Secretary Nolan made a motion to approve the lump sum refund of employee contributions with interest to Brianni V. Barroso, Ernest A. Avellanet, Frederick A. Vasconcelos, Stephanie E. Capuzzo, Daniel R. Taylor and Terrence A. Butler. The motion was seconded by Trustee Carpenter and unanimously carried. (Attachment 1-1 Schedule A)

DECEASED

Assistant Director Frank Estevez reported that overpayments had occurred when the pension office did not receive timely notification regarding the passing of two retirees.

Firefighter John P. Geary passed away on July 28, 2022. During the annual affidavit process that started in October 2022, Mr. Geary's bank notified the pension office that there had been no activity on his account since July 22, 2022. Mr. Geary's pension benefit was discontinued on November 1, 2022. After various attempts to contact Mr. Geary's family, it was learned that there was no estate from which to recover the three months of overpaid benefits.

After a brief discussion, Trustee Carpenter made a motion for KKJL to send a letter to Mr. Geary's bank to seek recovery of the overpayment. The motion was seconded by Secretary Nolan and unanimously carried.

Police Officer William F. Guillem passed away on January 30, 2023. Subsequent to learning of Mr. Guillem's passing when the monthly Berwyn death search was run in March, Mr. Guillem's pension benefit was discontinued on March 1, 2023. After various efforts to recover the overpayment were met with unresponsiveness from Mr. Guillem's family, the Board agreed that it is their fiduciary responsibility to pursue additional legal options to recover the one month of overpaid benefits.

Trustee Frazier made a motion for KKJL to send a demand letter to Mr. Guillem's family to seek recovery of the overpayment. The motion was seconded by Trustee Carpenter and unanimously carried.

Retired Firefighter William J. Beatty passed away on July 3, 2023. His pension benefit was discontinued as of August 1, 2023, as there are no beneficiaries under the Plan.

Retired Police Sergeant Carolyn E. Chin passed away on August 28, 2023. Her pension benefit has been discontinued as there are no beneficiaries under the Plan.

Secretary Nolan made a motion to stop the monthly pension for William J. Beatty and Carolyn E. Chin. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1-1 Schedule A)

FINANCIAL REPORT FOR AUGUST 2023

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

The Assistant Director advised that since the August 2023 board meeting was cancelled, Financial Warrants #5273-5280 have to be ratified for August 2023.

Trustee Frazier made a motion to approve the ratification of Warrants #5273-5280. The motion was seconded by Secretary Nolan and unanimously carried. (Attachment #1, August 2023)

FINANCIAL REPORT FOR SEPTEMBER 2023

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

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

BUYBACK COVERING THE PERIOD OF JUNE 16, 2023, THROUGH SEPTEMBER 21, 2023

The following buyback schedule included in the agenda packet was processed from June 16, 2023, through September 21, 2023:

- *Buyback of probationary service time with interest at 3%*

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

COUNSEL

Update on disability application received from Police Officer Alberto J. Castro

Attorney Kaufman advised that medical records have been received for Police Officer Alberto J. Castro's disability application. Independent medical evaluations (IMEs) are being scheduled. Depending on when the final medical board reports are received, the informal disability hearing on this case is likely to take place in November or before year end.

Legislative Update

Attorney Kaufman advised that House Bill 3 (HB 3) became effective July 1, 2023. The law requires local government retirement plans to use only pecuniary factors when deciding to invest plan assets and specifies that the interests of participants and beneficiaries may not be subordinated to other objectives.

Administratively, the investment policy has to be revised and a mandatory report must be filed by December 15, 2023, and each odd number year thereafter with the Florida Department of Management Services. Florida statute requires state and local retirement plans to submit a comprehensive report on governance policies concerning vote decisions and adherence to fiduciary standards, including the exercise of shareholder rights.

Update on the outstanding issue regarding the purchase of pre-employment public safety service

Chairman Johnson inquired about the status of KKJL facilitating a conference call with the Seminole Tribe. Attorney Kaufman advised that the Seminole Tribe is being uncooperative. KKJL aims to finalize resolution of this issue by the end of the year. At this time only one member is interested in converting his 6% multiplier buyback to pre-employment public safety service time.

ANDCO CONSULTING
BRENDON VAVRICA, CFP – CONSULTANT

Private Equity Managers

At the July 2023 meeting, AndCo Consulting presented the updated pacing model which estimated that a commitment of \$20,000,000 was needed in order to reach and maintain the 3% private equity allocation within 7 years.

The Board requested to meet with the following four recommended fund managers who presented as follows:

Fund of Fund Managers

Taurus Private Markets, LLC – Represented by Kevin Campbell, Co-Founder & Managing General Partner; Mark Eisner, Director, Business Development; Eric Wilcomes, Co-Founder & Managing General Partner

50 South Capital Advisors, LLC – Represented by Ashley Alson, Director; Brad Dorchinecz, Co-Founder & Managing Director

Multi-Manager Co-Investments

Neuberger Berman, LLC (NB) – Represented by Andrea Mulzet Borghoff, Senior Vice President, Head of Alternative Specialists, North American Institutional; David Stonberg, Deputy Head of NB Alternatives & Global Co-Head of Private Equity Co-Investments

Performance Equity Management, LLC (PEM) – Represented by John Clark, President, CFA & Co-Founder, Performance Equity Management

Once the managers completed their presentations, Brendon Vavrica initiated the Board discussion. There was broad debate regarding what attributes made each company appealing and how much money to allocate to each manager.

Regarding fund of fund managers, Trustee Frazier made a motion to invest \$5,000,000 in Taurus Private Markets, LLC and \$5,000,000 in 50 South Capital Advisors, LLC. The motion was seconded by Trustee Nicholas.

There were various discussions as Trustees considered alternative investment amounts between fund of fund and multi-manager co-investment managers. Mr. Vavrica emphasized the importance of continued investments in private equity throughout consecutive vintage years; the manner in which the current commitment amount is split among the managers being considered is of less importance.

Trustee Frazier then amended the motion to invest \$7,000,000 in Taurus Private Markets, LLC; \$7,000,000 in 50 South Capital Advisors, LLC; and \$6,000,000 in Neuberger Berman, LLC. The motion was seconded by Trustee Nicholas.

The discussion continued. Trustee Otto Stewart asked Mr. Vavrica to clarify AndCo Consulting's initial recommendation for this year's commitment. Mr. Vavrica remarked that AndCo Consulting's recommendation was \$10,000,000 to fund of funds and \$10,000,000 to multi-manager co-investments or \$20,000,000 to fund of funds and invest in multi-manager co-investments next year.

After various discussions, Trustee Frazier amended the motion again for a second year private equity commitment of \$20,000,000 to be allocated as follows:

- \$5,000,000 to Taurus Private Markets, LLC – Taurus Private Markets Fund II, LP
- \$5,000,000 to 50 South Capital Advisors, LLC – Private Equity Core Fund XI
- \$10,000,000 to Neuberger Berman, LLC – NB Strategic Co-Investment Partners Fund V

The motion was seconded by Trustee Nicholas and unanimously carried.

PROPOSED ADMINISTRATIVE BUDGET 10/01/23 – 09/30/24

Assistant Director Estevez advised that this item will be deferred to the October meeting.

DIRECTOR'S REPORT

Letter dated July 25, 2023, from Douglas E. Beckendorf, Actuary, Florida Department of Management Services, regarding state accepted actuarial reports and impact statements through 10/01/2022.

The Assistant Director advised that Mr. Beckendorf's letter dated July 25, 2023, confirms that all prior actuarial valuations and impact statements through October 1, 2022, are considered to be state accepted. (Attachment #3)

BLB&G's Forum for Institutional Investors, November 15 – 18, 2023, New York, NY

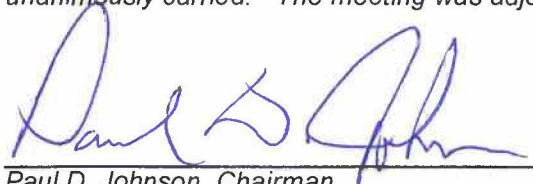
Trustee Frazier made a motion to allow any Trustee to attend the BLB&G's Forum for Institutional Investors, November 15 – 18, 2023, in New York, NY. The motion was seconded by Trustee Nicholas and unanimously carried. It was noted that attendance to this event may have an impact on the November 16, 2023, board meeting. (Attachment #4)

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

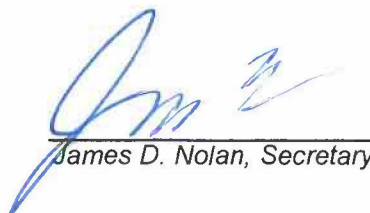
- A. J.P. Morgan Asset Management 2023 Real Estate Annual Meeting, October 25 – 26, 2023, New York, NY (Attachment #5)
- B. Administrative Budget
- C. Investment Expenses Fiscal Year vs. Budget

ADJOURNMENT

Trustee Cardeno made a motion to adjourn the meeting. The motion was seconded by Trustee Frazier and unanimously carried. The meeting was adjourned at 12:49 PM.



Paul D. Johnson, Chairman



James D. Nolan, Secretary