

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

959<sup>TH</sup> BOARD OF TRUSTEES MEETING

February 15, 2024

*COPIES OF MINUTES ARE BEING  
PROVIDED WITHOUT ATTACHMENTS.*

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

**959<sup>TH</sup> MEETING OF THE BOARD OF TRUSTEES  
CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS  
IN THE CITY OF MIAMI BEACH**

**February 15, 2024**

**CALL TO ORDER**

Meeting was called to order at 8:44 AM by Secretary Feldman.

Board members physically present and by 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**

**Absent were:**

Hernan D. Cardeno	- Administration
Eric T. Carpenter	- Administration
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:**

Eric J. Leventhal, CPA, CVA	- Partner, Kabat, Schertzer, De La Torre, Taraboulos & Co. (KSDT)
Nicholas Rojo	- Co-Founder and President, Affiliated Development
Brendon Vavrica, CFP	- AndCo Consulting, Consultant
Spencer Witherspoon	- Shenkman Capital Management, Inc., Vice President, Business Development, Investor Relations

**MINUTES**

**Regular Meeting of the Board of Trustees – January 18, 2024**

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 Trustee Nicholas and unanimously carried.

**RETROACTIVE PENSION CHANGES**

Director Brito advised that continuing from last month, the following retroactive pension changes are being made to the original pension amounts for members who entered the DROP prior to the payroll changes and retroactive adjustments made by the City over the course of the past year.

CLASSIFICATION	NAME OF MEMBER	DROP DATE OF RETIREMENT	MONTHLY INCREASE IN PENSION	RETROACTIVE ADJUSTMENT AMOUNT
Firefighter	Marco Almodovar	02/01/23	\$ 4.97	\$ 59.64
Firefighter	Alexandre Loubet	07/01/22	\$70.46	\$1,351.06
Fire Lieutenant	Isabel Ochoa	04/01/22	\$41.28	\$ 918.56
Police Officer	Smith Orisme	04/01/23	\$ 3.35	\$ 33.50
Police Lieutenant	Thomas M. Payne	04/01/23	\$ 6.21	\$ 62.10
Fire Captain	Mark S. Schwartz	12/01/22	\$32.42	\$ 455.50
Police Officer	Manuel Valdes	04/01/23	\$ 3.33	\$ 33.30

Trustee Frazier made a motion to approve the revised pension and retroactive adjustments for Firefighter Almodovar, Firefighter Loubet, Lieutenant Ochoa, Officer Orisme, Lieutenant Payne, Captain Schwartz, Officer Valdes. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #1-1 Schedule A)

The Director commented that additional retroactive pension changes will continue to be processed next month.

#### COMMENCEMENT OF PENSION

Firefighter David E. Cajuso, who was retired under the DROP program, resigned from City employment effective January 31, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Fire Captain Charles A. Pereny, who was retired under the DROP program, resigned from City employment effective January 31, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Fire Captain Edward J. Ryan, who was retired under the DROP program, resigned from City employment effective January 31, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Vladislav Sazonov, who was retired under the DROP program, resigned from City employment effective January 8, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Police Officer Tino A. Serrano, who was retired under the DROP program, resigned from City employment effective January 28, 2024. He is eligible to commence his monthly pension in accordance with the Miami Beach Code, Section 66(a) and Section 79.

Trustee Nicholas made a motion to approve the commencement of pension for Firefighter Cajuso, Captain Pereny, Captain Ryan, Officer Sazonov and Officer Serrano. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1-1 Schedule A)

#### DECEASED

Retired Firefighter Wesley H. McCormick passed away on January 1, 2024. Widow Beverly G. McCormick will receive a benefit under the code of the City of Miami Beach, Section 69(b)(1)(A). She will be entitled to 100% of his monthly pension benefit for one year and thereafter 50% of the benefit until remarriage or death. She will also be entitled to a 2½ % cost of living increase each October.

Retired Police Officer Dale H. Lassiter passed away on January 17, 2024. Widow Carol B. Lassiter 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 Nicholas made a motion to approve the commencement of pension for Beverly G. McCormick and Carol B. Lassiter. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1-1 Schedule A)

Beneficiary Patricia McDonald, widow of retired Police Captain William F. McDonald, passed away on January 20, 2024. Her pension has been discontinued, as there are no other beneficiaries under the Plan.

Beneficiary Judith A. Ridge, widow of retired Police Sergeant Gordon F. Ridge, passed away on January 21, 2024. Her pension has been discontinued, as there are no other beneficiaries under the Plan.

Trustee Nicholas made a motion to stop the monthly pension for Patricia McDonald and Judith A. Ridge. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1-1 Schedule A)

#### **FINANCIAL REPORT FOR FEBRUARY 2024**

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

Trustee Nicholas made a motion to accept the Financial Warrants #5322-5327 as presented. The motion was seconded by Trustee Frazier and unanimously carried. (Attachment #1)

#### **COUNSEL**

Attorney Kaufman reminded the Board that beginning January 1, 2024, the annual Form 1, Statement of Financial Interests, must be filed via the Electronic Financial Disclosure Management System (EFDMS). Trustees will be responsible to register and file their own Form 1 electronically with the Florida Commission on Ethics by the July 1, 2024, deadline.

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

##### **Presentation of Draft Financial Statements – September 30, 2023** **Management Representation Letter**

Eric Leventhal presented the draft audited Financial Statements as of September 30, 2023. 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, 2023.

Mr. Leventhal reviewed the Compliance and Other Matters Report stating that KSDT was not specifically engaged to look at or give an opinion on the effectiveness of internal control. However, if during 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 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.*

*Trustee Frazier made a motion to approve the audited Financial Statements for the year ending September 30, 2023, and to authorize the Secretary and the Director to execute the management representation letter. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachments #2 and #3)*

**AFFILIATED DEVELOPMENT  
NICHOLAS ROJO – CO-FOUNDER AND PRESIDENT**

**Portfolio Review**

*Nicholas Rojo discussed in detail the Affiliated Housing Impact Fund, LP, investment update for the Fire and Police real estate portfolio as of December 31, 2023.*

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

**Press Release dated February 1, 2024 – Mariner Wealth Advisors Acquires AndCo Consulting and Fourth Street Performance Partners, Creating Mariner Institutional**

*Brendon Vavrica advised that the merger and acquisition of AndCo Consulting, LLC is basically a stock purchase, where AndCo will be a stand-alone entity renamed Mariner Institutional, a division of Mariner Wealth Advisors. He affirmed that the same AndCo team members currently supporting the Board will continue to deliver the same services, tools and guidance the Board values. (Attachment #4)*

*Trustee Nolan arrived at 9:28 AM.*

**AndCo Consulting, LLC – Consent for Assignment of Investment Advisory Contract**

*Mr. Vavrica explained that due to the change in control from AndCo Consulting, LLC to Mariner Wealth Advisors, the signing of a Consent for Assignment of Investment Advisory Contract is required. The consent confirms that the Board will continue to be serviced by the same consulting team and pursuant to the same terms and conditions as contained in the investment advisory contract with AndCo ("Contract"). Attorney Kaufman has reviewed and approved the consent form.*

*Trustee Frazier made a motion to authorize the Secretary to execute the Consent for Assignment of Investment Advisory Contract as approved by Counsel. The motion was seconded by Trustee Nicholas and unanimously carried. (Attachment #5)*

**Investment Performance Review**

*Brendon Vavrica provided the Investment Performance Review for the period ending December 31, 2023. In summary, the Fund's total fiscal year to date net return is 7.23% (October 1, 2023, through December 31, 2023).*

Corient (Inverness Counsel) S&P 500 - Period beginning 01/01/2000 and ending 12/31/2023

Corient equity had an annualized return from inception of 8.16% compared to the S&P 500 Index of 7.03%. As of 12/31/2023, the ending value of the Corient equity portfolio including \$360,000 in cash equivalent was \$207,800,000.

Wellington Management Company Small Cap - Period beginning 07/01/1999 and ending 12/31/2023

Wellington equity had an annualized return from inception of 11.23% compared to the Russell 2000 Index of 7.69%. As of 12/31/2023, the ending value of the Wellington portfolio was \$122,692,000.

Logan Capital Management Large Cap Growth - Period beginning 04/01/2007 and ending 12/31/2023

Logan equity had an annualized return from inception of 11.06% compared to the Russell 1000 Growth Index of 12.20%. As of 12/31/2023, the ending value of the Logan portfolio including \$464,000 in cash equivalent was \$66,131,000.

RhumbLine Advisers Large Cap Value - Period beginning 01/01/2017 and ending 12/31/2023

RhumbLine equity index fund had an annualized return from inception of 8.28% compared to the Russell 1000 Value Index of 8.32%. As of 12/31/2023, the ending value of the RhumbLine portfolio was \$62,255,000.

RhumbLine Advisers Mid Cap - Period beginning 07/01/1997 and ending 12/31/2023

RhumbLine equity index fund had an annualized return from inception of 10.49% compared to the S&P MidCap 400 Index of 10.50%. As of 12/31/2023, the ending value of the RhumbLine portfolio including \$304,000 in cash equivalent was \$113,166,000.

RhumbLine Advisers International Equity - Period beginning 01/01/2016 and ending 12/31/2023

RhumbLine international equity index fund had an annualized return from inception of 6.34% compared to the MSCI EAFE Index of 6.67%. As of 12/31/2023, the ending value of the RhumbLine portfolio was \$60,682,000.

Vanguard Total Stock Market (VTSAX) - Period beginning 09/01/2022 and ending 12/31/2023

Vanguard Total Stock Market had an annualized return from inception of 16.43% compared to the CRSP U.S. Total Market TR Index of 16.42%. As of 12/31/2023, the ending value of the Vanguard Total Stock Market (VTSAX) fund was \$4,821,000.

J.P. Morgan Asset Management Real Estate - Period beginning 10/01/2007 and ending 12/31/2023

J.P. Morgan real estate, Strategic Property Fund (SPF), had an annualized return from inception of 4.46% compared to the NCREIF Index-Open End Diversified Core of 5.05%. As of 12/31/2023, the ending value of the portfolio was \$49,441,000.

J.P. Morgan Asset Management Real Estate - Period beginning 01/01/2021 and ending 12/31/2023

J.P. Morgan real estate, Special Situation Property Fund (SSPF), had an annualized negative return from inception of -2.32% compared to the NCREIF Index-Open End Diversified Core of 5.19%. As of 12/31/2023, the ending value of the portfolio was \$44,067,000.

Intercontinental Real Estate - Period beginning 04/01/2018 and ending 12/31/2023

Intercontinental real estate had an annualized return from inception of 4.12% compared to the NCREIF Index-Open End Diversified Core of 5.07%. As of 12/31/2023, the ending value of the Intercontinental portfolio was \$54,828,000.

Allspring Global Investments International Bond - Period beginning 10/01/2011 and ending 12/31/2023

Allspring international bonds had an annualized negative return from inception of -1.05% compared to the FTSE Non-U.S. World Government Bond Index of -1.32%. As of 12/31/2023, the ending value of the Allspring portfolio was \$53,790,000.

Corient (Inverness Counsel) Fixed Income - Period beginning 10/01/1990 and ending 12/31/2023

Corient fixed income had an annualized return from inception of 5.38% compared to the ½ BBGIC and ½ BBGC Index of 4.98%. As of 12/31/2023, the ending value of the Corient fixed income portfolio including \$1,401,000 in cash equivalent was \$135,362,000; and the ending value of Corient's cash was \$73,158,000.

Tocqueville Asset Management Fixed Income - Period beginning 11/01/2020 and ending 12/31/2023

Tocqueville fixed income had an annualized negative return from inception of -1.26% compared to the ½ BBGIC and ½ BBGC Index of -2.12%. As of 12/31/2023, the ending value of the Tocqueville fixed income portfolio including \$817,000 in cash equivalent was \$57,368,000.

Grosvenor Institutional Partners, L.P. - Period beginning 11/01/2020 and ending 12/31/2023

Grosvenor Institutional Partners hedge fund had an annualized return from inception of 5.14% compared to the 90-day T-Bill + 5.0% Index of 7.15%. As of 12/31/2023, the ending value of the Grosvenor Institutional Partners, L.P. hedge fund was \$11,720,000.

Affiliated Housing Impact Fund LP - Period beginning 11/01/2022 and ending 12/31/2023

As of 12/31/2023, the ending value of the Affiliated Housing Impact Fund LP was \$2,543,000.

Artemis Real Estate Partners Fund IV - Period beginning 11/01/2022 and ending 12/31/2023

As of 12/31/2023, the ending value of the Artemis Real Estate Partners Fund IV was \$745,000.

TerraCap Partners Fund V - Period beginning 11/01/2022 and ending 12/31/2023

As of 12/31/2023, the ending value of the TerraCap Partners Fund V was \$5,201,000.

50 South Private Equity Core Fund X - Period beginning 04/01/2023 and ending 12/31/2023

As of 12/31/2023, the ending value of the 50 South Private Equity Core Fund X was \$3,444,000.

HarbourVest Dover Street Fund XI - Period beginning 07/01/2023 and ending 12/31/2023

As of 12/31/2023, the ending value of the HarbourVest Dover Street Fund XI was \$2,217,000.

Taurus Private Markets Fund II LP - Period beginning 11/01/2023 and ending 12/31/2023

As of 12/31/2023, the ending value of the Taurus Private Markets Fund II LP was \$500,000.



Virtus Real Estate Fund IV - Period beginning 12/01/2023 and ending 12/31/2023

As of 12/31/2023, the ending value of the Virtus Real Estate Fund IV was \$1,434,711.

TOTAL FUND: As of 12/31/2023, the ending value of the Fund was \$1,133,365,711. Of the 1,133,365,711, the cash equivalent portion of the Fund was 6.75% or \$76,504,000. The results for the 12-month period ending 12/31/2023 show that the Fund's net return of 10.69%, underperformed the benchmark indices of 11.06%.

During this 12-month period:

- Allspring underperformed the FTSE Non-U.S. World Government Bond Index
- Corient (Inverness Counsel) significantly outperformed the S&P 500 Index
- Corient (Inverness Counsel) outperformed the Index composed of ½ BBGIC and ½ BBGC
- Grosvenor significantly underperformed the 90-day T-Bill +5% Index
- Intercontinental significantly underperformed the NCREIF Fund Index-Open End Diversified Core
- 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 matched the S&P Mid Cap 400 Index
- RhumbLine slightly underperformed the Russell 1000 Value Index
- RhumbLine underperformed the MSCI EAFE Index
- Tocqueville slightly underperformed the Index composed of ½ BBGIC and ½ BBGC
- Vanguard slightly outperformed the CRSP U.S. Total Market TR Index
- Wellington significantly 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 December 31, 2023. He does not recommend any changes at this time; however, he was contacted by Adonis Garcia, IAFF President, Local 1510, who asked if the Board would consider adding several Waycross Partners' funds as an option within the Voya and Nationwide portfolios.

The Board agreed to include a review of Waycross Partners' funds during a full DROP discussion that is to be scheduled for a future board meeting.

**Asset Allocation Analysis related to Global Bonds**

**Global Bond Review**

**Replenish Funds in the Vanguard Total Stock Market Index Fund**

Mr. Vavrica discussed in detail the February 2024 Asset Allocation Analysis and evaluated whether to keep international bonds as part of the Fund's total asset allocation. He advised that models are predicting that international bonds may not add much value over the next ten years. In addition, international funds tend to be more expensive than their domestic counterparts. Other than adding diversification, it may not be worth keeping international bonds. Mr. Vavrica recommended moving to either the Asset Allocation Analysis' Scenario #1 or Scenario #2. (Attachment #6)

Trustee Frazier made a motion to adopt the Asset Allocation Analysis' Scenario #2 and remove the international bond asset class from the Fund's portfolio and reallocate the balance to 2.5% domestic fixed income and 2.5% to domestic equities.



Mr. Vavrica suggested one minor modification to the motion. The balance of the Vanguard Total Stock Market fund, which is used to support capital calls, is getting low. He suggested that since Allspring is closing the international bond fund, to split the balance between 50% domestic fixed income and 50% domestic equity, with \$8,000,000 of the equity portion going to Vanguard and the remainder to the underweighted equity portfolios. (Attachment #7)

Trustee Frazier modified his motion as follows:

- Transfer the balance from the Allspring international bond fund to the Corient cash account
- Once the balance has been deposited into Corient cash
  - Transfer 50% of the remaining balance between Corient fixed income and Tocqueville fixed income
  - Transfer 50% of the remaining balance between \$8,000,000 to the Vanguard Total Stock Market fund and the underweight domestic equity portfolios
- Update the investment policy to remove the international bond asset class from the Fund's portfolio and reallocate the balance to 2.5% domestic fixed income and 2.5% to domestic equities

The motion was seconded by Trustee Nicholas and unanimously carried.

On another note, Mr. Vavrica commented that the Fund is now underweight in real estate. He recommended cancelling the remaining partial redemption of the J.P. Morgan Strategic Property Fund.

Trustee Frazier made a motion to cancel the remaining partial redemption of the J.P. Morgan Strategic Property Fund. The motion was seconded by Trustee Nolan and unanimously carried.

**Email dated February 1, 2024, from J.P. Morgan regarding Special Situation Property Fund**

Mr. Vavrica advised that Steve Zaun, Portfolio Manager at J.P. Morgan's Special Situation Property Fund, will be leaving the firm after 23 years of service. The Fund is already in the Special Situation Property Fund full redemption queue, so his departure does not change anything. (Attachment #8)

**EMAIL DATED OCTOBER 25, 2023, FROM JAMES D. NOLAN REGARDING ALTERNATIVE DROP PROVIDER**

Pursuant to Trustee Nolan's email dated October 25, 2023, he would like Nicolas Valdes from Thin Blue Line Financial to present to the Board with the goal of becoming a new DROP provider for the Fund. (Attachment #9)

Mr. Vavrica explained that in terms of plan structure, Nationwide and Voya offer mutual fund portfolios with the custody and administration all under one platform. Thin Blue Line Financial provides ETF portfolios with various risk-based structures such as aggressive, moderately aggressive, medium and conservative. Each one would function as a mutual fund, and based on how ETFs work, they could potentially be offered as a less expensive option to the members. Unlike Voya and Nationwide working under one platform, Thin Blue Line Financial is the representative, Charles Schwab & Co. is the primary custodian for their customers' accounts, and the administration is handled by Epic Insurance Brokers & Consultants. In addition, because Thin Blue Line Financial custodies with Charles Schwab, they can offer self-directed brokerage account options (SDOs).

There were various discussions about adding a third DROP provider. Trustee Nolan stated that he would like to replace Nationwide. Trustee Johnson commented that he is interested to learn more about Thin Blue Line Financial but feels offering two DROP providers is generous and three would complicate the matter for members. He may consider replacing one of the two current providers.

Secretary Feldman remarked that he wanted to hear about how Thin Blue Line Financial's SDO would work within the DROP plan. Attorney Kaufman advised that when considering an SDO, members would have to agree that they take on all fiduciary responsibility and they would have to sign waivers and release the Fund from any liability that is associated with SDOs.

The Director reminded the Board that in 2017 a motion was made to not allow the Charles Schwab & Co. self-directed brokerage option with Nationwide. Chairman Johnson stated that the Board has to be wise stewards of the Plan. The Board has to establish controls and guardrails to help members have choices for growth and diversification and to avoid possible misfortunes. He agrees with the motion not to allow a self-directed brokerage option.

After further discussion, the Board agreed to invite Thin Blue Line Financial to present at the May 2024 meeting.

#### **DIRECTOR'S REPORT**

##### **Disability application received from Police Officer Christopher A. Marin**

Director Brito advised that Police Officer Christopher A. Marin has applied for a service-connected disability.

##### **Disability application received from Police Sergeant Michelle M. Sayegh**

Director Brito advised that Police Sergeant Michelle M. Sayegh has applied for a service-connected disability.

##### **Email dated January 23, 2024, from David J. Lederer regarding Fiduciary Trust International Update**

The Director advised that Assistant Vice President Amed Avila is no longer with Fiduciary Trust International. Mindy Johnson has replaced Mr. Avila as the new Managing Director/Relationship Manager. All administrative staff remains in place, so she does not have an issue with the change. (Attachment #10)

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

- A. Administrative Budget
- B. Management Fees Fiscal Year vs. Budget

#### **ADJOURNMENT**

Trustee Nicholas made a motion to adjourn the meeting. The motion was seconded by Trustee Frazier and unanimously carried. The meeting was adjourned at 10:31 AM.

  
Paul D. Johnson, Chairman  
Steven L. Feldman, Secretary