

A G E N D A

REGULAR MEETING OF THE CITY OF MIAMI FIRE FIGHTERS' & POLICE OFFICERS' RETIREMENT TRUST

DATE: Wednesday, March 11, 2020
TIME: 8:30 a.m.
LOCATION: 1895 SW 3rd Avenue, Miami, Florida 33129

The items on this agenda are for discussion and any recommendations for action to be taken by the Board. Please be advised one or more City of Miami Commissioners may be in attendance.

If a person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings and for such purpose he/she may need to insure that a verbatim record of the proceedings is made which record includes the testimony and evidence upon which the appeal is to be made. Source: Section 286.0105 Florida Statutes 1980.

This meeting may be conducted by means of or in conjunction with communications media technology, specifically a telephone conference call. The above location, which is ordinarily open to the public, shall service as an access point. Persons wishing to attend should appear at the access point, where telephonic access to the meeting will be provided.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Fire and Police Pension Office no later than seven (7) days prior to the proceeding for assistance (Telephone 305/ 858-6006); if hearing impaired, telephone the Florida Relay Service for assistance (Telephone 800/955-8771/TDD or 800/955-8770/Voice)

1. INPUT FROM RETIRED/ACTIVE MEMBERS

- (Attachment) 2. DISABILITY APPLICATION
S. Belfort – Step 3

3. FOR DISCUSSION / APPROVAL
 - (Pg. 1 - 3) a. Minutes Regular Meeting – 01/23/2020
 - (Pg. 4 - 6) c. Minutes Inv. Review Meeting – 02/19/2020
 - (Appendix) d. Payments for the Period
 - (Pg. 7) e. Retirements for the Period
 - (Attachment) e. Actuarial Valuation FY 2020-2021

4. INVESTMENT ISSUES
 - (Attachment) a. Investment Policy Statement
 - (Attachment) b. Private Debt Search

5. COMMITTEE REPORTS
 - (a) Audit Review
(Last met 01/15/2019)
M. Fernandez, O. Cotera

 - (b) COLA Committee
(Last met 12/11/2019)
O. Cotera

 - (c) Personnel
(Last met 06/19/2019)
O. Cotera, T. Roell, T. Gabriel, R. Suarez

6. ATTORNEY'S REPORT

7. ADMINISTRATOR'S REPORT

8. CONFERENCES

(a) New Conferences

(b) Report(s) on Conferences Attended

**MINUTES OF THE REGULAR MEETING OF
THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS'
RETIREMENT TRUST**

January 23, 2020

Members Present

O. Cotera	-	Appointed by the City Commission
M. Fernandez	-	Appointed by the City Commission
N. Enriquez	-	Elected by the Fire Fighters
S. MacDonald	-	Elected by the Police Officers
T. Roell	-	Appointed by the City Commission
R. Suarez	-	Elected by the Fire Fighters
A. Valdivia	-	Elected by the Police Officers

Also Present

R. Klausner	-	Legal Advisor
W. Cottle	-	Investment Consultant
S. Cottle	-	Investment Consultant

Members Absent

Vacant	-	Appointed by the City Manager
T. Gabriel	-	Appointed by the City Commission

Chairman O. Cotera called the meeting to order at 8:30 a.m. with a quorum being present.

ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Nominations were opened for Board Chairman. T. Roell nominated O. Cotera. A motion was made by R. Suarez and seconded by A. Valdivia to close nominations. The motion was approved unanimously. O. Cotera was named Chairman.

Nominations were opened for Vice-Chairman. R. Suarez nominated M. Fernandez. T. Roell moved and was seconded by S. MacDonald to close the nominations. The motion was approved unanimously. M. Fernandez was named Vice-Chairman.

APPROVAL OF MINUTES

The minutes of the Regular Meeting of December 11, 2019, were reviewed. The minutes were approved by a motion from R. Suarez, a second from M. Fernandez and a unanimous vote.

RATIFICATION OF RETIREMENTS

A list of retirements for the period was reviewed. A motion was made by R. Suarez and seconded by S. MacDonald to ratify the retirements. The motion was approved unanimously.

**MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

January 23, 2020

Page 2 of 3

RATIFICATION OF PAYMENT

Payments for the period were reviewed. A motion was made by A. Valdivia and seconded by S. Macdonald to ratify payments presented. The motion was approved unanimously.

UPDATE ON FRS MORTALITY TABLES

H. Merlak and D. Winegardner address the Board via telephone. The Actuaries reviewed a letter they submitted addressing Mortality Tables. Under State Law for funding and reporting the Plan's valuation must utilize mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System (FRS). The most recent report published, December 2019, the mortality tables utilized changed relative to the 2018 valuation. They reported that, before any adjustments are applied, the new mortality tables would typically project employees to live slightly longer under Pub-2010 than under RP-2000. However, FRS does not use the base tables for their valuation report, they make several adjustments to better match the experience of FRS and participants within the State of Florida. In general FRS' calculated Special Risk liabilities actually decrease as a result of the mortality table update. Nyhart's preliminary analysis suggested that, for a typical 175/185 Plan, a 2% decrease in liabilities was expected by moving to the new tables. They noted that a Plan's demographic profile, other actuarial assumptions, and benefit levels will all impact the calculated liabilities; without further analysis, they could not attest to the ultimate impact on FIPO's numbers, but they believed the change would tend to reduce liabilities and thus the recommended contribution amount. Discussion followed the presentation. A motion was made by T. Roell and seconded by S. Macdonald to direct the Actuaries to utilize the RP-2000 adopted by FRS for implementation for the 2019 Actuarial Valuation calculations. Discussion resumed. The motion was approved unanimously.

ATTORNEY'S REPORT

Attorney reported that he had been contacted by one of the Trust's securities litigation firms, Bernstein-Litowitz, with a possible case relating to MGP. Discussion ensued. T. Roell moved and was seconded by R. Suarez, to direct the firm to move forward with filing for lead plaintiff. The motion was approved unanimously.

ADMINISTRATOR'S REPORT

- The 2019 1099 R forms had been processed and mailed.
- Active members' annual statements had been processed and mailed.
- New COLA II amounts have been posted as of January's payroll.

**MINUTES OF THE REGULAR MEETING OF THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

January 23, 2019

Page 3 of 3

INVESTMENT ISSUES

Investment Policy

G. Bikkesbakker, A. Ally, S. Bowen were present representing Meketa. They presented an updated draft of the Investment Policy. Discussion followed the presented. A motion was made by N. Enriquez and seconded by M. Fernandez to adopt the Police with the suggested changes and bring a final draft for Board adoption at the February meeting.

Transition Manager

The Investment Consultants reviewed a report on Transition Manager Overview. The Consultant recommended hiring a panel (two or more) transition managers. Panels comprise multiple business models as each model offers different advantages. The process would be for Meketa to work with Administrator to send bid request to panelists and then review pre-trade estimates. From the responses, the appropriate transition manager for the event would be selected. Discussion ensued. A motion was made by T. Roell and seconded by N. Enriquez to contract with Abel Noser, BTIG, and Northern Trust for transition manager services. The motion was approved unanimously.

CONFERENCES DURING THE PERIOD

T. Roell made a motion and it was seconded by S. MacDonald to approve the attendance of any member interested in attending conferences listed for the period. The motion was approved unanimously.

Being no further business, the meeting was adjourned at 11:05 a.m. by a motion by S. MacDonald a second by N. Enriquez and a unanimous vote.

Ornel Cotera, Chairman

Attest:

Dania Orta, Administrator

**MINUTES OF THE INVESTMENT REVIEW MEETING OF
THE CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

February 19, 2020

MEMBERS PRESENT

O. Cotera	-	Appointed by the City Commission
N. Enriquez	-	Elected by the Fire Fighters
M. Fernandez	-	Appointed by the City Commission
T. Gabriel	-	Appointed by the City Commission
S. MacDonald	-	Elected by the Police Officers
T. Roell	-	Appointed by the City Commission
R. Suarez	-	Elected by the Fire Fighters
A. Valdivia	-	Elected by the Police Officers

ALSO PRESENT

G. Bikkerbakker	-	Investment Consultant
A. Lally	-	Investment Consultant

MEMBERS ABSENT

Melissa Fernandez	-	City Manager Appointee
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Chairman O. Cotera called the meeting to order at 8:30 a.m. with a quorum being present.

ADMINISTRATIVE ISSUES

Financial Audit

M. Ariza and H. Garzon were present representing the Trust's Auditors, Marcum, LLP. They reviewed the final draft of the Financial Audit for Fiscal Year 2018-2019. A question and answer period followed the presentation. Audit Committee Chair M. Fernandez reported that the Committee had met and reviewed, at length, the draft and recommended the Board approve the financials as presented. S. MacDonald moved and was seconded by N. Enriquez to approve the Audit as presented. The motion was approved unanimously.

Financial Urgency Settlement Disbursements

The Administrator reported to the Board on the issue of the producing and delivering of 1099's for the disbursements issued by the City for the financial urgency settlement. Discussion ensued. A motion was made by T. Roell and seconded by N. Enriquez to direct the Administrator to not have any further involvement with the disbursement of these payments other than, as permitted by Florida Statutes, provide current addresses. The motion was approved unanimously.

MINUTES OF THE INVESTMENT REVIEW MEETING, OF THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

February 7, 2019

Page 2 of 3

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 12/31/2019

MEKETA – Represented by G. Bikkerbakker and A. Lally

The Consultant reviewed with the Board the performance for quarter ending December 31, 2018.

Investment Policy Statement

The Consultants presented a second draft of the IPS. The draft was reviewed at length and several additions, deletions were recommended. The Consultants were asked to update the draft to present at the March 11th meeting for adoption.

Performance Report

The FIPO Trust had a total market value of \$1,656,952,548 as of December 31, 2019, which represents a increase of \$91.5 million from the September 30, 2019 market value. Calendar Year results are as follows:

Total Fund Performance –	Positive
Performance vs Benchmarks –	Outperformed
Performance vs Peers –	Outperformed
Asset Allocation Attribution Effects –	Additive
Active Public Managers vs Benchmarks –	Underperformed
Active Public Managers vs Peer Groups –	Underperformed
Compliance with present targets -	Two exceptions – real estate and cash

Manager Portfolio Structure Review

Current public manager portfolio structure and restructuring recommendations were reviewed. Discussion ensued. A motion was made by T. Roell and seconded by T. Gabriel to move forward to implement the recommended structure for US equity. The motion was approved unanimously. The portfolio structure for international equity was reviewed. The Board approved to implement the recommended structure by a motion by T. Gabriel a second by T. Roell and a unanimous vote. The fixed income structure was reviewed. T. Roell moved and was seconded by N. Enriquez to implement the recommended structure with treasuries index. The motion was approved unanimously.

Champlain – Mid and Small Cap

The Consultants reported that Champlain had reached out to request approval for utilizing the standard strategy guidelines which provides more flexibility in certain industries. Discussion followed. T. Gabriel moved and was seconded by N. Enriquez to approve the request. The motion was approved unanimously.

INVESTMENT /ISSUES AND PERFORMANCE REVIEW QE 12/31/2019

Barrow Hanley – Enhanced Intermediate Credit

Manager requested to be allowed for any Yankee bond securities, regardless of country of origin. Discussion ensued. A motion was made by T. Gabriel and seconded by T. Roell to approve the request. The motion was approved unanimously.

Private Debt Preliminary Search

The Consultants reported that Medeta's Private Debt Research Team had conducted diligence on three private debt funds – each pursuing a unique strategy within the realm of private lending. The Consultants reviewed the preliminary findings with the Board. Discussion followed the review. Meketa will present final search report at the March meeting.

With no further business, the meeting was adjourned at 12:40 p.m. by a motion from T. Gabriel a second from T. Roell and a unanimous vote.

O. Cotera, Chairman

Attest:

Dania Orta, Administrator

<u>Grp</u>	<u>Name</u>	<u>Retirement Type</u>	<u>D.O.R.</u>	<u>Option</u>	<u>Pension Gross</u>	<u>Back DROP Lump Sum</u>
Fire	GARCIA, Eloy	DROP	02/02/20	4 - 45%	15,908.08	
Fire	SIUT, Jose	DROP	02/02/20	4 - 45%	7,257.85	
Fire	KENNEDY, Michael	Back DROP	02/02/20	6C	8,146.69	534,593.28
Fire	RESILILEZ, Roberto	DROP	02/16/20	4 - 45%	9,094.33	
Police	HEBRA, Danny	Vested Rights	2/12/2020 Matures 11/1/2029		3,470.98	
Fire	GOMEZ, Pedro	Back DROP	03/07/20	6C	14,659.41	1,172,013.18