

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

January 23, 2019

Members Present

O. Cotera	-	Appointed by the City Commission
M. Fernandez	-	Appointed by the City Commission
T. Gabriel	-	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
A. Valdivia	-	Elected by the Police Officers

Also Present

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

Members Absent

R. Suarez	-	Elected by the Fire Fighters
Vacant	-	Appointed by the City Manager

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. Gabriel nominated O. Cotera. A motion was made by A. Valdivia and seconded by T. Roell to close nominations. The motion was approved unanimously. O. Cotera was named Chairman.

Nominations were opened for Vice-Chairman. T. Gabriel nominated M. Fernandez. T. Roell moved and was seconded by A. Valdivia 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 12, 2018, were reviewed. The minutes were approved by a motion from T. Gabriel, a second from A. Valdivia and a unanimous vote.

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RATIFICATION OF PAYMENT

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

AUDIT REVIEW COMMITTEE

Committee Chair M. Fernandez reported that the Audit was not completed it was still in the review stages. She expressed her dissatisfaction with the work. She reported that the Auditors had been made aware that a final draft needed to be completed for presentation to the Board at the March meeting.

ATTORNEY'S REPORT

Educational Session – The Attorney recommended having a pension educational workshop for the new Labor Union presidents and their respective officials. Discussion ensued. It was the consensus to have the workshop on February 6, 2019, and to extend an invitation to the City.

Castro et al – No response has been received on the motion to dismiss filed on November 12, 2018.

City Ordinance – The Attorney reported that he was working with the Administrator and the City Attorney's Office on the language for the City Code to include the Financial Urgency Settlement and the new Labor Agreements.

ADMINISTRATOR'S REPORT

- The 2018 1099 R forms had been processed and mailed.
- Active members' annual statements had been processed and mailed.
- RFP for Investment Consultant was being completed and would be mailed out by February 15th.

INVESTMENT ISSUES

W. Cottle and S. Cottle were present. They reported as follows:

Asset Allocation and Manager Structure Review – The Consultant reviewed with the Board a report prepared to address the Fund's asset allocation as well as the Manager structure. The report provided different allocation considerations along with different Manager structures. Discussion followed the review. No action was taken.

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BNP Paribas QPAM Development – The Consultant reported that after June 3, 2019, BNP Paribas will be losing its use of the US Department of Labor's Qualified Professional Asset Management (QPAM). It is believed that the loss is associated with BNP Paribas' parent bank's guilty plea in January, 2018 for manipulating foreign currency prices. The Consultant recommended that the Absolute Return portfolio that BNP Paribas manages be consolidated into a new Multi-Strategy Fixed Income portfolio. Discussion ensued. A motion was made by T. Gabriel and seconded by N. Enriquez to terminate BNP Paribas and defer the consolidation recommendation to the next meeting. Discussion resumed. The motion was approved unanimously.

Copper Rock Small Cap Update – The Consultant reported on a conference call held with Copper Rock representative. It is Copper Rock's expectation that the global economic cycle is peaking and that in the future equity market performance will result from earnings and dividend growth. Their portfolios have been modified to emphasize such securities. During the call Copper Rock also informed the Consultant that the Firm had reduced their asset management fees by 25% for 2019. Discussion ensued. A motion was made by S. MacDonald and seconded by M. Fernandez to place Copper Rock on the Watch List. The motion was approved unanimously.

December Flash Report – The report was reviewed. A lengthy discussion followed. The Board asked the Consultant to prepare a report that would show a comparison of the Fund's returns versus what returns would have been had a less passive approach been adopted during the last 5 year period.

CONFERENCES DURING THE PERIOD

T. Gabriel made a motion and it was seconded by N. Enriquez 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 11:35 a.m. by a motion by T. Gabriel a second by N. Enriquez and a unanimous vote.

Attest:



Dania Orta, Administrator


Ornel Cotera, Chairman